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BPA WORLDWIDE BUSINESS

On the Cover

21 Perilous Position for Ports

Off the coast of Western Florida, on the dredge Atchafalaya, the action is fast and furious during dredging operations (photo: J. Lars Turner). U.S. waterfront stakeholders hope for similar action in Washington as Congress contemplates final passage of the WRDA Act. Susan Buchanan provides ***MarineNews*** *readers with a full update of what is happening – and what is not – on our nation's waterways.*

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The central theme to this month's edition of *MarineNews* is an easy one to spot. The Editorial Calendar has something to do with that, of course, but current events also provided a measure of cooperation, as well. Within these pages, shortsea shipping, dredging, infrastructure, WRDA, the Harbor Maintenance Tax (HMT) and a raft of other related issues are woven into a number of entries. Each emanates from a different origin or perspective, but all add up to just one thing: The nation's poorly maintained marine waterfront is getting increased scrutiny from lawmakers, spurred, in part, by (better) organized stakeholders and the realization that the status quo is no longer good enough.

In May, the Senate passed, by a vote of 83-14, a long-overdue Water Resources Development Act (WRDA). Last reauthorized in 2007, the measure still has to clear the House but as we hope for the best, more than 55% of the locks and dams on the nation's inland waterways system have exceeded their economic design life expectancy. Even as a maritime-indifferent U.S. Secretary of Transportation and arguably the least effective Maritime Administrator in recent history prepare to depart Washington, the successful passage of WRDA, coupled with language that would eliminate certain aspects of the HMT from shortsea legs, is now seemingly within reach.

Separately, and also within these pages, maritime heavyweights and infrastructure advocates such as AAPA President Kurt Nagle, WCI President and CEO Mike Toohey and – perhaps the most effective Maritime Administrator in history – Sean Connaughton, current Secretary of Transportation for the Commonwealth of Virginia, all weigh in for a collective "SITREP" on the domestic waterfront. Connaughton, in particular (unlike the Beltway gang that regularly withholds hundreds of millions of HMTF funds from fee-paying users) puts his money (or, more accurately; the taxpayer's) where his mouth is. Shortsea Shipping is alive and well in the Commonwealth; thank you very much. What they ***all*** say; matters. The elusive prize represented by a fully integrated intermodal system literally hangs in the balance.

And, because waterways wouldn't matter unless we also had boats to navigate those channels, ports, waterways and shipyards, the trends emerging within those essential businesses also matter. When it comes to boatbuilding, it turns out that partnerships – between vendors, buyers and yards themselves – are emerging as a key ingredient in that effort. You'll need to turn the page to find out why. We cover all of that and more this month.

Last, but certainly not least, I had a lot of fun with this edition. That's not to say that work isn't ***always*** fun, but our first ever *MarineNews* Photo Contest provided me with the pleasure of vetting more than 1,000 photographs submitted by an enthusiastic readership. Given the scope and quality of that input, it wasn't easy to decide which ones to include in this edition. That said; I think you'll find that collection of images to be one of your favorite parts of this month's collective effort. Certainly, it was mine.

Joseph Keefe, Editor, keefe@marinelink.com

U.S. Coast Guard's 2012 Recreational Boating Statistics

The U.S. Coast Guard last month released its *2012 Recreational Boating Statistics*, revealing that boating fatalities for that year totaled 651, the lowest number on record. Commercial mariners and operators may wonder what that has to do with their world, but in truth, the numbers are significant because (a.) the causes of these accidents have direct correlation to what happens in the workboat wheelhouse, and (b.) the vast majority of domestic workboats operate in close proximity to the playground waters of America's 12 million+ recreational boats. How safe those boaters can become directly affects those workboats operating around them. From 2011 to 2012, deaths, injuries and accidents attributable to recreational boating all decreased significantly. Over a wider timeframe, the numbers are even more significant. That recreational boaters are getting safer is not the big story; what makes those improving metrics even more significant is the explosive growth of recreational vessels on the water (not withstanding a very small dip in the past two years) over the past five decades, as shown below:

Waterborne Vessels	1960	1997	2010	2011	2012
Number of Recreational Boats	2,450,484	11,877,938	12,438,926	12,173,935	12,101,939
Accidents: Recreation Boats	Not Avail.	8,047	4,604	4,588	4,515
Injuries (recreational)	929	4,555	3,153	3,081	3,000
Deaths	Not Avail.	821	672	758	651

Compared to 2011 – and despite the number of recreational boats on domestic waters remaining fairly static – accidents decreased 1.6%, deaths decreased 14.1% and the number of injuries decreased 2.6%. Predictably, the report states that alcohol use was the leading contributing factor in *fatal* boating accidents, but curiously ranked only 7th on the list of top 10 known primary contributing factors of accidents. Hence, while there were other more significant issues involved with accidents, no one factor was more deadly. Operator inattention, operator inexperience, improper lookout, machinery failure and excessive speed ranked as the top five primary contributing factors in accidents (rules of the road errors were right up there, too). Almost 71 percent of all fatal boating accident victims drowned; remarkably, 84 percent of those victims were reported as not wearing a life jacket. That sounds like a simple lesson; in and of itself. Only 14 percent of deaths occurred on vessels where the operator had received boating safety instruction, further underscoring the need for boating skills education. Maybe there is something to that STCW thing, after all. The most common types of vessels involved in reported accidents were open motorboats, personal watercraft and cabin motorboats.

The Deadly Top 5's in 2012 (source: U.S. Coast Guard)

Rank	Accident Type (#)	Type of Boat (#)	Cause of Death (#)	Contributing Factors (#)
1	Collision (1,010)	Open motorboat (1,842)	Drowning (459)	Operator Inattention (581)
2	Flooding / Swamping (509)	Personal Watercraft (779)	Trauma (103)	Inexperience (417)
3	Allision (475)	Cabin motorboat (324)	Cardiac Arrest (29)	Improper Lookout (391)
4	Grounding (422)	Canoe/Kayak (236)	Hypothermia (11)	Machinery Failure (346)
5	Skier Mishap (387)	Pontoon (158)	Carbon Monoxide (2)	Excessive Speed (310)
Total	4,515	----	651	4,515

Looking at the demographics of where accidents happen and framing that against the sheer numbers of boats registered in those states, it isn't hard to see why the following 8 states rank so high in all categories. But, the numbers do not always bear out the accident rates. Take Minnesota, Michigan and Wisconsin, for example, which rank 2nd, 3rd and 5th respectively in total boat registrations but also rank much lower on the total accident, injury and fatality rankings. Are boaters in these Great Lakes states better trained? Or, just more careful?

Where do accidents occur? : Selected Hot Spots

Rank / State	Accidents	Deaths	Injuries	# Boats (Rank)	Damages (rank)
Florida	662 (1)	50	398	870,031 (1)	$6.8 million (1)
Texas	147 (4)	21	99	580,064 (6)	$705,891
New York	197 (3)	27	127	463,539 (8)	$4.8 million (2)
North Carolina	145 (T 6)	23	97	391,711 (9)	$724,555
Maryland	145 (T 6)	13	123	185,626 (20)	$949,202
Tennessee	147 (5)	21	99	259,632 (13)	$2.2 million (4)
Louisiana	116 (8)	25	84	305,081 (11)	$739,461
California	365 (2)	49	249	776,584 (4)	$3.5 million (3)
TOTALS	**4,555**	**651**	**3,000**	**12,101,939**	**$38,011,601**

Finally, at what time of day (or night) and during what time of year, accidents occur is also an interesting read. The time of most accidents is, perhaps, predictable but the gap in the data is also breathtaking. For example, in more than 40 percent of the cases tracked, the Coast Guard simply does not know what time it occurred. That's not their fault. The reporting from recreational boaters is – let's just say it right out loud – less than stellar. But, the fact that 63 percent of accidents that involve fatalities occur between midnight and 6:30 AM should be no surprise to anyone, much less commercial mariners themselves. And those hot summer nights? Alcohol and fatigue, unfortunately, mix quite well.

When Do Accidents Occur?

	Month	Accidents (rank)	Fatalities (rank)	Accidents Involving fatalities – by time (%)
1	July	1,079	124	Unknown (43%)
2	June	753	108	02:31 – 04:30 AM (24%)
3	August	689	88	12:00 – 02:30 AM (21%)
4	May	593	73	04:31 – 06:30 AM (18%)
5	September	398	62	08:31 – 10:30 PM (17%)
Totals	**12 months**	**4,515**	**651**	

Accident Reporting as specified by Federal Law Under federal regulations (33 CFR Part 173; Subpart C – Casualty and Accident Reporting) requires the operator of any numbered vessel that was not required to be inspected or a vessel that was operated for recreational purposes is required to file a Boating Accident Report (BAR) when, as a result of an occurrence that involves the vessel or its equipment. *What's the takeaway for commercial, professional workboat mariners and their employers?* Operating in close proximity of these recreational boaters, your level of education, training and caution may ultimately not be enough. For the Coast Guard and the general public itself – and notwithstanding the measurable improvements seen to date – more needs to be done to educate and yes, certificate the boating public who, in former U.S. Coast Guard Commandant ADM Thad Allen's own words, think that the right to drive a boat is an entitlement, not a privilege. Beyond this, the causations, the most frequent dates and times of these accidents correlate, like it or not, directly to commercial world.

The Coast Guard reminds all boaters to boat responsibly while on the water: wear a life jacket, take a boating safety course, get a free vessel safety check and avoid alcohol consumption. To view the 2012 Recreational Boating Statistics, go to http://www.uscgboating.org/statistics/accident_statistics.aspx. For more information on boating responsibly, go to http://www.uscgboating.org/.

Risky Business

Underwriting your newbuild program is only one half of the sea passage. That's because the construction phase is fraught with danger.

By Richard Paine

Congratulations! You've run the due-diligence/underwriting gauntlet successfully and now you have your lender's credit approval in hand. You are satisfied with the terms and conditions of the loan or lease and the lender or lessor is happy with you. Don't celebrate quite yet, though. You are only about half of the way home.

Everyone knows that new and used tugs and barges, OSVs, crew boats or ferries don't come cheap. It's a double edged sword. On the one hand, the cost of entry into the commercial marine industry is one of the greatest limiting factors to new players/competitors gaining entrance; on the other, it's just plain expensive. That high cost preserves the value of the businesses that operate in the industry as well as the assets themselves. But just as with any major construction project, whether it is a commercial vessel, an airliner or a locomotive, finding the source of funding for new equipment before it is in service and providing a revenue stream (and thus debt coverage) can be a significant challenge.

Funding

So you have your shipyard slot and have your construction contract in hand, you have agreed on the schedule of progress payments from deposit to delivery. Now you're going to have to figure out where the money is coming from to finance the construction of the vessel. Unless it's sitting in your bank account, you're going to need interim or construction phase financing to get you to the completed vessel's delivery and on to your permanent loan.

If you are sufficiently capitalized you can handle payments from your own cash flow or other cash resources. But with each successive progress payment with no revenue being generated by the vessel under construction, the deep, dark hole keeps getting deeper and darker as you go along. Your lender should anticipate that during the new construction or refit process, the ability of the vessel being financed to generate income is non-existent.

Your lender also knows that the period of highest risk in the transaction is during the construction or refit period both from your loss of income standpoint, and that of a dreaded shipyard default or bankruptcy. Ideally, if the shipyard can self-fund the construction or have a construction revolver or other source of funding, that is for lender and borrower, the best of all worlds.

If your shipyard cannot fund the construction, they, you and your lender must agree on construction phase funding to move the project forward. It is in your best interest, as you remain the party responsible for construction debt, to choose your shipyard wisely and work with your lender to perform due diligence on the shipyard's financial condition. In the process of approving a shipyard for construction finance, your lender will request a financial package from them similar to that which was requested from you including, but not limited to:

- *Construction Contract with Draw Schedule;*
- *Provision for Builder's Risk and other applicable insurances;*
- *Three previous year's financial statements;*
- *Current and historic (previous year's) quarterly financial statements;*
- *Trade and Bank References;*
- *Current cash flow with A/P and A/R;*
- *Work-in-Progress;*
- *Personal financial statements of owners (occasionally).*

After the receipt of the shipyard's financials, the lender will approve the shipyard, decline to provide the interim financing and provide permanent financing only, or require a construction, performance or other type of surety bond. The bonding option can be the most costly option for both the borrower and/or the shipyard. However, such bonds provide financial security and assurance of the completion of a construction project by insuring the borrower (and lender) that the shipyard will perform the work and pay the cost of materials, suppliers, subcontractors and other labor; albeit at a significant cost.

Interestingly, a shipbuilding contract is not covered by maritime/admiralty law. It is a contract made on land to be performed on land. A completed, launched and fully fit-

ted-out vessel is only considered a vessel to function under maritime law after full completion of its construction and delivery. Once completed, it then is subject to maritime law which includes flag status, documentation, filing liens and the perfection of interest via a ship's mortgage.

Approaching the Sea Buoy

Some interim protections for the borrower and lender can be had state-to-state through the filing of UCC-1 claim of ownership of assets purchased for and/or supplied by the borrower and lender. Most significant of these items may be engines, generators, transmissions, steel, electronics or other high cost components. Given that the rights of the lender, borrower and shipyard can be equitably preserved, we are heading down the home stretch. Now; progress payments, per contractual obligations, are scheduled and paid.

During the negotiation of the shipbuilding contract, certain milestones in construction, when reached, trigger the payment to the shipbuilder of a progress payment. The payments, when made to the shipbuilder by the lender, begin to accrue interest for the borrower. Depending on the comfort of the lender, these interest payments may be billed to and paid by the borrower on a monthly basis, or capitalized during construction and added into the overall loan amount provided by the lender.

Typical progress payments may occur when the contract is signed, the keel is laid, steel is delivered, plating of the hull occurs, engines and running gear are installed, deck is completed, superstructure is built, ship's services are installed, interior is finished, vessel is painted and finally launched, sea trialed and accepted by the new owner. The completions of certain milestones are usually verified by inspection by a surveyor commissioned by the lender or the tending of delivery documents for large components like engines, drives and transmissions. Prior to payment, the borrower issues notification to the lender agreeing with the progress made and authorizing the payment to the shipbuilder. Normally, if the percentage of advance has been agreed upon by the borrower and lender, the borrower will pay the first progress payments up to the amount specified as the borrower's down payment.

Risky Business

Construction phase finance is fraught with danger. It is truly a risky business. Both borrowers and shipbuilders alike may experience financial or other business calamities that can make the completion of the build impossible. It is not unheard of for a borrower and lender to move a vessel under construction to another yard from a yard in trouble, or contract another builder to complete the vessel under construction at great or increased cost, or at the last minute have to find another buyer for the vessel under construction. As such, few lenders will assume the jeopardy of the construction phase without also anticipating the financial reward of the permanent loan. No one wants to end up with an unfinished pile of steel rusting on a beach somewhere. And, it happens all too often.

Make vessel construction a less risky business. Consult your legal and financial experts to know where the hazards lie, and as Tom Cruise learned; don't borrow your Dad's Porsche 928.

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Kurt J. Nagle

President and Chief Executive Officer
Association of Port Authorities

Kurt Nagle needs no introduction to ***MarineNews*** readers. With more than 30 years of experience in seaports and international trade, he has since 1995 served as President and Chief Executive Officer for the American Association of Port Authorities (AAPA). Mr. Nagle began working at AAPA, the alliance of the leading public port authorities throughout the Western Hemisphere, in 1985. And, although some may associate him more with 'bluewater' issues, Nagle also knows that the health of all U.S. ports – including our inland waterways and tributaries – is also integral to the survival of America's gateway, deepwater ports. This month, he weighs in and brings our entire intermodal equation into focus.

With regard to short-sea shipping, are bigger ports mostly focused on the Panama Canal expansion or are they thinking niche port deliveries from deep draft hubs, as well?

Ports are primarily focused on ensuring that facilities and connecting infrastructure is able to efficiently competitively handle the increasing trade volumes in the coming years. Several ports have benefitted from initial development of short-sea shipping networks, while many others are engaged in the effort to expand short-sea shipping as a viable alternative to moving goods via truck and rail along some of the busiest freight corridors. Short-sea shipping is one of a number of ways ports are working to become more competitive. While the Panama Canal expansion is a major and highly visible project, Panama itself is undertaking the expansion to maintain its competitiveness due to the global trade growth, increasing vessel sizes in the world fleet, dynamic trading patterns and other factors. Other countries are doing the same, and it's critical for the United States to improve its transportation infrastructure, particularly in and around its seaports on all our coasts and the Great Lakes, to maintain and enhance U.S. international competitiveness. The canal expansion is but one of many factors driving infrastructure improvement projects. There are many other factors, including a growing population, increased demand for goods, new trade agreements, global competition and dynamic trade lanes. It's critical that investments in transportation infrastructure be made today to ensure that we can support the movement of overseas and domestic cargo now and into the future. In the U.S., ports are responsible for developing facilities to handle more than 99% of this nation's overseas cargo by

volume. Ports and their private-sector partners are doing their part, investing more than $46 billion over the next five years in infrastructure, technology, terminal access and personnel improvements that will ensure America's ports are able to accommodate the huge influx of trade.

What is the current situation with inland ports' infrastructure needs and are they similar with the coastal ports' needs?

The answer to this question can be found in the American Society of Civil Engineers' 2013 infrastructure Report Card, which gave the inland waterways' infrastructure a D-minus grade, while giving the coastal ports' infrastructure grade a C. The key difference in these two grades was in the scope of research. The inland waterways' infrastructure grade pertains chiefly to the poor state of the waterways, and locks and dams on those waterways, but not the infrastructure within the ports along those waterways. The grade given the coastal ports pertains to both the infrastructure within port authority boundaries and jurisdictions, and the land- and water-side connecting infrastructure that is outside the boundaries and jurisdictions of the ports. Because America's deep-draft ports and their private-sector partners are making significant investments into their facilities, the infrastructure within port authorities is actually quite good, likely in the B range or better if that portion were being graded separately from the connecting infrastructure. The overall grade for the connecting infrastructure with deep-draft ports, however, would likely be in the D range if graded separately, similar to the grade given the inland waterways' infrastructure. Averaging the likely B grade for port facility infrastructure with the D grade for connecting infrastructure, the result is a C.

Your constituent ports depend on you to do your job in Washington but they also compete amongst themselves. How do you set your agenda?

AAPA has member ports throughout the Western Hemisphere, not just the U.S. For our U.S. member deep-draft ports (which we call our "Corporate" members), the association provides representation and advocacy support in Washington, D.C., on a wide range of issues. The issues in which AAPA is active are determined by our U.S. Legislative Policy Council. There are many legislative and regulatory issues of common concern for U.S. ports, such as federal funding for port security grants and the Diesel Emission Reduction Act grants, the budget for the U.S. Army Corps of Engineers, and the need to address freight mobility in transportation reauthorization legislation.

With regard to dredging, are we getting done what we need nationwide at this time?

The short answer is no; our nation's navigation channels are not ever being adequately maintained, much less improved where necessary. However, as the 2013 Water Resources Development Act (WRDA) legislation advances in Congress, we are seeing signs that our elected leaders are paying more attention to the needs of U.S. ports. Even so, much more support and recognition is needed, as was evident earlier this year with ports receiving a C grade for infrastructure by the American Society of Civil Engineering. Each of the 50 states relies on an average of 15 different seaports to handle their imports and exports, which means that the nation needs a diverse range of deep-draft seaports on each of the three coasts and the Great Lakes. It's not necessary for some seaports to dredge beyond their current authorized depths because they tend to specialize in cargoes that arrive on smaller ships that don't need channels as deep as 50 feet. The busiest 59 U.S. seaports are dredged to their authorized and necessary channel depths only about 35% of the time, and far fewer channels are dredged to

their authorized widths, which is necessary both for safe and efficient bi-directional navigation, and because ships are being built wider as well as deeper. In addition, while the U.S. Army Corps of Engineers is currently deepening a few federal navigation channels and has additional studies underway, it's vital that we have a timely process to identify and conduct needed improvements throughout the port system.

How much additional government funding is needed for the nation's river and harbor dredging projects?

If Congress appropriated all the annual Harbor Maintenance Tax (HMT) revenues collected each year, the nation's coastal ports and harbors could be fully maintained to their constructed depths and widths. The HMT generated $1.6 billion in revenues in fiscal 2012. The President's fiscal 2014 budget requests $890M of HMT eligible work. The maintenance backlog would be accomplished over an estimated 5-7 years with full annual appropriation of the HMT.

Is there a national shortage of dredging equipment?

The U.S. Army Corps of Engineers successfully managed a dredging program twice the current annual program in the 2009-2010 timeframe when it simultaneously executed its annual program, executed post-hurricane supplemental appropriations and received ARRA funding. The Corps has two hopper dredges in a Ready Reserve status to be activated in the event no awardable bids are received from private industry. The dredging industry has several new dredges recently completed or under construction that will increase dredging capability.

Are you happy with what USACE is accomplishing at present? Could they do more?

AAPA considers the USACE a partner. To that end, AAPA and the Corps are working together on a Quality Partnership Initiative that addresses current industry issues and needs, and collaborates to enhance the Corps' project study/delivery and communication processes, as well as changes to authorities and laws that would better facilitate the development and maintenance of the Corps' coastal navigation projects. To see a copy of our 2012 Quality Partnership Initiative Report, click: http://aapa.files.cms-plus.com/Final%20QPI%20Report%2011_2012.pdf

The Number One issue facing your constituents – is it the same for smaller, more brown water-oriented ports as it is for the larger, so-called blue water gateways?

I think the Number One issue facing many U.S. ports, both shallow and deep draft, is the generally poor condition of the connecting transportation infrastructure in the water and on the land side of their facilities. For shallow draft ports, infrastructure investments need to be made in navigation dredging, repair and maintenance of locks and dams, and enhancements to the landside approaches to the inland ports. Except for lock and dam improvements—which aren't associated with deep-draft ports—the concerns are similar for many deep-draft ports. The transportation connections

to and from these port facilities – which are outside the jurisdiction and responsibility of the ports – are typically their biggest issues, since deep-draft ports and their private-sector partners have been making large investments in modernizing the infrastructure within their facility borders. Connecting infrastructure capital investments that are needed include: maintaining and deepening the deep-draft navigable waterways; reducing surface transportation congestion and grade conflicts on the roads and railways; and investing federal, state and local government resources into adding capacity to these connections to address not only today's challenges, but those facing us in the years to come as population numbers and cargo demands grow.

The Water Resources Development Act is finally moving through Congress. What is AAPA's take on the bill?

AAPA believes that WRDA should address three key areas that would result in real benefits for the nation. First is bill language that would ensure the federal Harbor Maintenance Tax (HMT) revenues are fully utilized each year. Second is to make the U.S. Army Corps of Engineers' study and construction processes more efficient for future channel modernization projects. Third is to get channel modernization projects authorized and constructed to maintain America's competitive advantage in transportation cost savings that results in domestic job creation and national economic vitality. More than $1.6 billion in HMT revenue was collected in fiscal year 2012 while the estimated surplus at the end of that year (Sept. 30, 2012) was more than $7 billion. By the end of this fiscal year (Sept. 30, 2013), it's estimated the surplus in the Harbor Maintenance Trust Fund will be about $8 billion. The low appropriations have resulted in growing surpluses and an under-maintained system in which channels are not being maintained to their constructed depths and widths, despite adequate taxes being collected. Eight of the top 10 U.S. ports presently have depth or width restrictions resulting in safety risks of groundings and cargo spills and economic risks of light-loading ships which increase transportation costs, impacting the competitiveness of U.S. exports in the global marketplace and the cost of imported goods to U.S. consumers and manufacturers.

Passed by an 83-14 vote in the Senate on May 15, AAPA has been actively preparing for the next WRDA bill to address the investment and process changes needed to keep U.S. maritime infrastructure world class. To that end, AAPA has developed six guiding principles for WRDA legislation. They are:

- *Principle 1 – Fully utilize all HMT revenues in the year they were collected.*
- *Principle 2 – Use HMT revenues first for funding the historical intended purposes, ensuring: 1) all federal navigation channels are brought up to and maintained at their constructed depths and widths; 2) needs are met for disposal of maintenance dredged material and construction and maintenance of confined disposal facilities; 3) jetties and breakwaters are properly maintained, and 4) related studies and surveys are funded.*
- *Principle 3 – Provide more equity for HMT donors.*
- *Principle 4 – Don't allow U.S. tax policy to disadvantage U.S. ports and maritime cargo.*
- *Principle 5 – Adopt a process to efficiently study and construct deep-draft U.S. navigation projects.*
- *Principle 6 – Ensure the cost-share formula for maintenance and deepening is reflective of the current cargo fleet.*

WRDA to the Wise

By Michael J. Toohey, WCI President/CEO

May 15, 2013 was a very good day for the nation's barge and towing operators, as well as shippers of grain, coal, chemicals, petroleum products, aggregate materials, and agri-input products. It was also a good day for our nation's economy and for its consumers. The Senate passed, by a vote of 83-14, a long-overdue Water Resources Development Act (WRDA), last reauthorized in 2007.

Six years may not seem like a long time to await action on Capitol Hill. But since 57% of the locks and dams on the nation's inland waterways system have exceeded their economic design life expectancy of 50 years, every day anticipating increased investment is critical. Delay has meant that the nation's critical inland waterways infrastructure has continued to erode without efficient funding levels to complete construction of locks and dams, or for major rehabilitation of the aged system.

But thanks to the collaborative, bi-partisan efforts over many months, particularly by Senate Environment & Public Works Chairman Barbara Boxer (D-CA) and Ranking Member David Vitter (R-LA), WRDA was passed in the Senate. Among its many provisions, the WRDA bill contains a number of critically important elements related to the funding of inland waterways lock and dam infrastructure.

Of particular interest to WCI and its members and stakeholders is the inclusion in the bill of several provisions of the RIVER (Reinvesting In Vital Economic Rivers and Waterways) Act -- S. 407 -- introduced by Senator Bob Casey (D-PA), and co-sponsored by Sen. Mary Landrieu (D-LA), Sen. Amy Klobuchar (D-MN), Sen. Lamar Alexander (R-TN), Sen. Tom Harkin (D-IA), Sen. Al Franken (D-MN), and Sen. Pat Roberts (R-KS). ***They are:***

Changing Inland Waterways Trust Fund (IWTF) cost-sharing for the over-budget Olmsted lock and dam project, with the remainder of the cost of the project to be paid 100% by general treasury revenue. Removing Olmsted from the Trust Fund will free up approximately $750 million in the Fund to complete other critical priority navigation projects on the system.

Increasing the threshold for major rehabilitation, from the current $14 million to $20 million, brings additional relief to the Trust Fund. Only around 300 towboat operators pay a user fee of 20-cents-per-gallon into the Trust Fund that is matched by the U.S. Treasury General Funds to pay for half of the cost of new construction and major rehabilitation on the waterways system.

Prioritizing navigation projects and reforming Corps of Engineers' delivery of projects to achieve on time and within budget performance is a hallmark of this legislation. Prioritization is based upon risk of failure and benefits to the nation with an emphasis on finishing projects already underway and assuring that funding is available to efficiently complete work. Ensuring that future Corps' estimates for project costs have a confidence level of at least 80% is also included.

Passage of increased funding for inland port dredging to be released from the Harbor Maintenance Trust Fund was also welcomed by the industry in the just passed bill.

Not included in the Senate WRDA bill is the industry-supported provision to increase the diesel fuel user fee. The Constitution requires that revenue enhancement measures originate in the House of Representatives; therefore this provision must originate in the House version of WRDA or be added to some other revenue measure.

The next step on WRDA is action in the House, where it is a priority under the leadership of Transportation & Infrastructure Chairman Bill Shuster and Water Resources and Environment Subcommittee Chairman Bob Gibbs. Passage of a WRDA bill in the House, conferences with the Senate's bill and finally onto the President for his signature, would meaningfully modernize our nation's vital inland waterways transportation system. And according to Senator Boxer, the bill also has the potential to create an estimated 500,000 American jobs. It would also increase exports, keep our nation competitive, and inject billions of dollars into the U.S. economy.

In the House, the companion bill to the RIVER Act is H.R. 1149, WAVE 4 --Waterways are Vital for the Economy, Energy, Efficiency, and Environment Act of 2013. Congressman Ed Whitfield (R-KY) introduced the bill on March 14, with lead Democratic co-sponsor Congressman Daniel Lipinski (D-IL). Other bi-partisan co-sponsors include Congressman Bill Cassidy (R-LA), Congressman Spencer Bachus (R-AL), Congressman Bill Foster (D-IL), Congressman Rodney Davis (R-IL), Congressman Pete Olson (R-TX), Congressman Jo Bonner (R-AL), Congressman William Enyart (D-IL), Congresswoman Terri Sewell (D-AL), Congressman Mike D. Rogers (R-AL), Congressman John M. Shimkus (R-IL), Congresswoman Betty McCollum (D-MN), Congressman Dave Loebsack (D-IA), Congressman Matthew Cartwright (D-PA), Congressman Ron Kind (D-WI), Congressman Bill Johnson (R-OH), Congresswoman Tammy Duckworth (D-IL), Congressman Robert Aderholt (R-AL), Congressman Sam Graves (R-MO), Congressman Randy Hultgren (R-IL), Congressman Aaron Schock (R-IL), and Congressman Rodney Alexander (R-IL).

While many things in life are worth the wait, a WRDA bill that is achieved in a bi-partisan way and is signed by the President is simply something for which we can't afford to wait much longer. Urge your House members to catch the WAVE 4 a WRDA bill this year.

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Cracking the Boat Buying Nutshell

By Joe Hudspeth, Vice President of Business Development at All American Marine, Inc.

New work boats are never purchased out of want, but rather need – imminent need. Such a need prompts buyers to scour the web and perhaps their favorite maritime magazines for information on potential designs that appear to be a good fit. The next step is simply to make contact with a boatbuilder and request a price based upon the similar vessel shown via the website or marketing materials. Go ahead – ask for the price, but will it truly be meaningful? Perhaps it may offer a benchmark, but in the realm of custom boatbuilding no two boats are rarely ever alike. The design conversations tend to start off as 'I want one just like it;' then there is a brief pause followed by a lengthy list of exceptions.

What may seem like minor differences can actually bear major pricing consequences. Preparing a bid estimate is not an easy proposition. Custom boat builders do not have a catalogue where they can simply look up the desired model and fire back a price quote. Before you pick up the phone or push send on the email inquiry, make sure you have enough information that will help the builder provide you with a realistic estimate. The process first has to start with a clear understanding of what kind of boat you are looking for, the nature of the defined mission, and what operating conditions will the vessel be subject to. Good prices come to those who are willing to play the game of 20 Questions.

Let's Get Physical

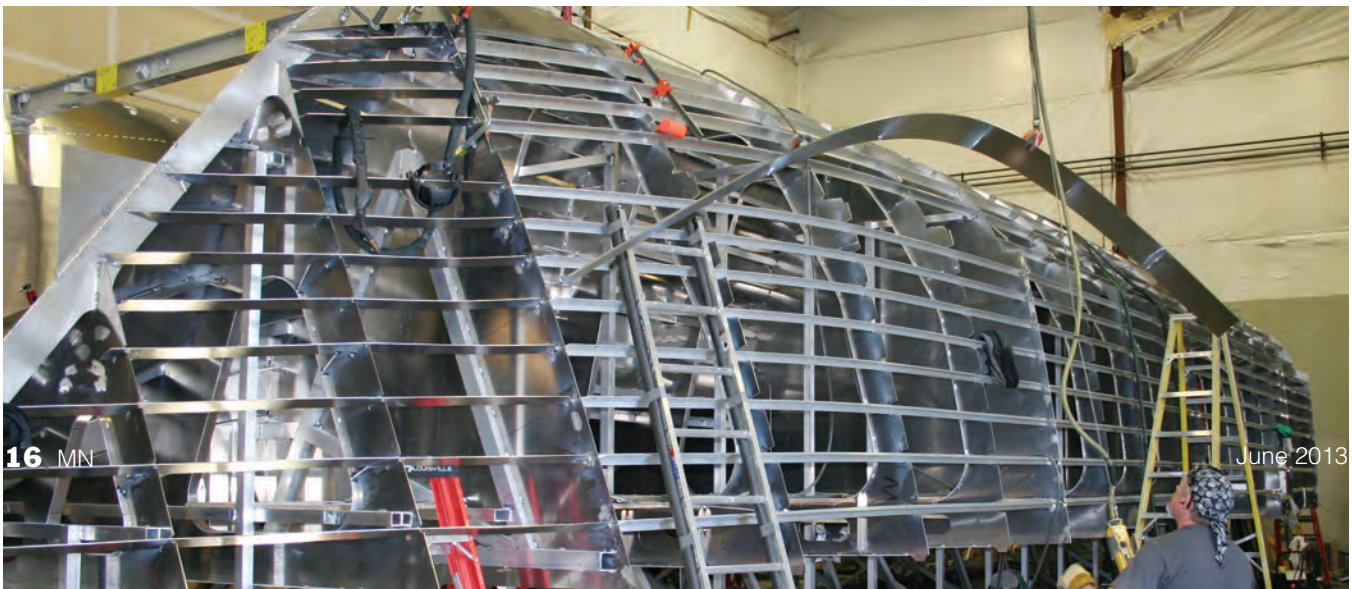
The size of boat, propulsion system, and onboard equipment influence approximately one half the cost of the boat. The labor component of course makes up the remainder. These variables have a direct relationship; so, the change of one will impact the others. The end of the design spiral will only come into sight once priorities have been set.

Prospective buyers are typically mindful about telling their builder and designer about draft considerations, but do not forget about specifying length, beam, deck height and the all too forgotten air draft. Take an extra moment to think this one through. With a "bigger is better" mentality, most newbuild inquiries are for larger vessels than the ones in the operator's existing fleet. If it's been a while since your last new build, then do your homework with regard to the delivery journey, potential obstructions from bridges, silted channels, and/or restricted waterways. Will your local maintenance yard be able to accommodate a larger boat on their ways or travel lift? What shoreside modifications will you need to make to your pier to accommodate another boat or a larger one? Gangway limitations, bollard locations, and access to facilities are easy to overlook, but they can have a huge impact on the success of your new vessel before it ever touches the dock.

Help me Help You

Tell your builder about your area of operation. Knowing where the boat will float offers many key insights for the design. The locale tells the designer what construction regulations apply and if the boat will need mitigating systems for extreme climates, structural reinforcement for ice protection and heavy seas, and whether or not the forces of salinity will be present. A proper analysis of the prevalent sea states will impact how the design is adapted for stability and seakeeping comfort. Additionally, the length of run and access to fuel and shore power will impact the size of the fuel tanks. Designers will want to calculate just the right amount of fuel storage so that extra fuel isn't burned just to carry more fuel.

Many of the design questions pertain to the propulsion system, the heart of the vessel and where most of the money typically gets spent. Engine sizing can be tricky. The days of digitally dialing-in enough horsepower through software



programming manipulations are gone. Builders can only buy what the EPA has rated. Furthermore, engines will only be sold and warranteed within their applicable ratings. As we advance through the EPA tier structures, there are fewer choices and customers may now have to forego their favorite brand in lieu of one that is sized with appropriate horsepower and complies with MCR ratings for warranty and time before overhaul.

Scale Tippers and Hidden Costs

If money is of no concern, feel free to specify some absolutes such as minimum speed, noise and vibration criteria, or a more stringent level of certification. Such absolutes are often imposed with the looming threat of liquidated damages. The more restrictive the box you put the builder in, the more risk the builder will bear, and the more money you will spend. Is that money well spent? There should be a certain level of expectation when it comes to buying a new workboat, but the best solution is an equitable one whereby the builder and buyer work together to achieve results.

It may be possible to go overboard when drafting your new boat specifications. Exaggerating the capabilities of your new boat may not necessarily maximize the bottom line. Is it justifiable to purchase a heavier and more expensive 7 ton crane when 95% of your work load will utilize a 4 ton crane? Excessive equipment tends to lurk like a parasitic stowaway that will drink up extra fuel and pad the maintenance costs until the few times it is actually called upon to work.

Show Me the Money

In order to design and build the best boat for your buck, there needs to be a clear understanding of the how the boat will be used. Any workboat that doesn't help you make money is a bad boat; hence, buying decisions should never be based on price alone. In general, the OEM pricing for boatbuilding components is similar, wherever you choose to build. Any pricing gaps that appear from builder to builder are often closed by a closer examination of the quality of workmanship or the technology of the design. It not always about what goes into the boat, but rather how it's put together. Considering these boats are the lifeblood of our livelihood – make an appropriate investment.

Shortsea Shipping: Poised for a Comeback

By Joseph Keefe

The idea that cargo, moved from deep draft ports to smaller, niche destinations, can be accomplished without trucks is something that has taken a backseat over the past five years. That's because, absent the leadership necessary in Washington to move the viable concept forward, it has fallen off the intermodal Radar, replaced with flashy ideas for high speed commuter trains and further obscured by the pouring of billions of dollars of asphalt onto the nation's highways. Shortsea shipping, however, is alive and well. In the Commonwealth of Virginia – and elsewhere – it is getting a jumpstart that is already yielding dividends.

Sean T. Connaughton, Secretary of Transportation for the Commonwealth of Virginia and the former U.S. Maritime Administrator, not only believes in shortsea shipping, he envisions a system that utilizes the entire intermodal chain. Overseeing seven state agencies with more than 9,700 employees and combined annual budgets of $5 billion, it would probably be easy for Connaughton to shelve a nascent shortsea program between the ports of Norfolk and Richmond, VA. After all, the trouble of setting it up and keeping it in motion probably outweighs the initial hassle of doing so, especially amidst so many other tasks on his plate. Nevertheless, he insists, "We see the immediate benefit to the economy and the creation of jobs in intermodal development."

The I-64 Express

The 64 Express, in service since 2008, is a barge service linking the Hampton Roads Harbor and the Port of Richmond. Running from one to three sailings per week, the Virginia Port Authority hopes to ramp that up even further in the near term, when a new major customer could join the action. That could lead to as many as six sailings daily, something Connaughton describes as "a game changer." Although this year's results have been disappointing because one user closed a plant elsewhere, about 7,000 containers nevertheless moved across the docks at Richmond last year.

Since 2008, the service has eliminated the need for as many as 50,000 truck trips along the congested I-64 corridor. Looking ahead, Connaughton hopes that investments in the CSX railhead will make the port of Richmond more accessible, intermodal and facilitate easier interface between the various modes at the port. Today, some cargo is even going back in the other direction and about 4 percent of Norfolk containers are now being moved to the port of Richmond using the shortsea program.

The Bigger Picture

Connaughton concedes that convincing doubters is sometimes a tough sell. He explains, "Shortsea Shipping is still a bit of a 'chicken and egg' thing – does the need for the service, or the service itself come first? The challenge is to get the service set up first. Labor is still a work in progress and a challenge." But Richmond is only one piece of the puzzle. That's because the entire intermodal picture must work when it comes to the shortsea concept. At the inland port of Front Royal, VA, for example, 35,000 to 40,000 containers are being dropped by trucks annually and then moved to final destinations or the coast via train."We need to move cargo closer to its ultimate destination before the trucks touch it," he adds.

Integral, therefore, to the Commonwealth of Virginia's master transportation plan are the inland ports which can be tied in more efficiently to the ports themselves. Connaughton understands the benefits of ports, and the reduction of road wear and tear that can result from a carefully coordinated transportation system. Active plans in Virginia also include Roanoke and other 'inland' ports for intermodal tie-ins. This cannot be done in a vacuum. Connaughton insists, "Stovepiping in government is a detriment to shortsea shipping."

Looking Ahead: more work to be done

Although the Virginia shortsea route currently runs between Norfolk and Richmond only, Connaughton is looking to expand the service to Philadelphia, PA, as well. Before it can all be deemed an unqualified success, however, many other things will have to come together. For starters, the shortsea portion of the Harbor Maintenance Tax (HMT) – the ad valorum tax based on the value of the cargo and paid by the shipper – would ideally be removed. He adds, "If WRDA ultimately is passed, that has to be addressed, as well."

Where others see only competition from the other modes of transportation, Connaughton sees opportunities to collaborate. That means upfront investments to establish services that can pay dividends on the backend. He

explains, "We need to continue to push now to get new operations started so that when the economy recovers they are in a position to provide services. "From a public benefits perspective, marine highways are a cost effective alternative to expanding highway infrastructure."

Current Events: Future Trends

As this edition went to press, S. 601, the Water Resources Development Act of 2013 (WRDA), had advanced through the Senate by a vote of 83-14. The legislation, if ultimately enacted, promises to spur vitally needed maintenance and improvements in America's seaport related infrastructure and waterways. That's good news for the I-64 Express – and other projects like it. Ultimately, cooperation and collaboration between states, neighboring and not, as well as metropolitan planning organizations is essential. Connaughton believes that this is where the federal government, which can see beyond jurisdictional borders, comes in.

Separately, it was also announced in May that the Maine Port Authority had selected McAllister Towing & Transportation as its partner for the design of a containerized articulated tug barge (ATB) for the New England Marine Highway Project. Prior to the award, McAllister participated in a competitive RFQ and RFP process which followed the award of $150,000 in design funding to the Maine Port Authority as part of a cooperative agreement with between the Maine Port Authority and the Maritime Administration under the auspices of the Marine Highway Program.

According to McAllister, the two partners will be spend the next few months working to design the containerized ATB based on a number of criteria such as shipper and itinerary requirements, cost, speed and capacity. The determining factor throughout this process, however, will be market demand and the requirements of the trade. John Henshaw, Executive Director of the Port Authority said, "We have been working with Maine shippers on this project for three years and we have more work to do. It takes time to integrate with a shipper's supply chain and to create value utilizing any mode of transportation. The containerized ATB adds another opportunity for more competitive supply chain optimization." The initial design phase is expected to complete over the summer months and will culminate with the submission of a design to MARAD in September of 2013.

Shortsea Shipping is alive and well, after all: in Norfolk and Richmond, VA and coming soon hopefully to Maine and Philadelphia, too. The looming passage of WRDA could help to spur much of that on, but if not, then the collective vision of Sean Connaughton, McAllister Towing & Transportation and the Maine Port Authority might just be enough to keep it on track. Let's hope so.

Perilous Position for Ports

Passage of WRDA would increase dredging dollars and alter the nation's intermodal equation. Maritime stakeholders hold their breath.

By Susan Buchanan

Deferred dredging and maintenance for domestic ports, harbors and critical waterways means that vessels must carry less cargo. It's that simple. Sometimes, they can't move at all. When channels aren't dredged to intended dimensions, all stakeholders – manufacturers, agricultural interests and vessel operators alike – lose money. And the risk of ships grounding or colliding grows.

It is no secret that the maritime industry wants to see funds collected by the federal Harbor Maintenance Tax (HMT) are fully used for maintenance dredging. The tax, implemented in 1986, is levied at $1.25 per $1,000 of cargo value on importers and domestic shippers using coastal or Great Lakes ports. Exporters don't have to pay the tax following a Supreme Court decision in 1998. Revenue is held in the Harbor Maintenance Trust Fund or HMTF. Congress appropriates money from that fund for dredging.

Last month, the U.S. Senate passed the Water Resources and Development Act, a bill that would increase spending on dredging using HMTF money. Sponsored by Republican David Vitter of Louisiana and Democrat Barbara Boxer of California, WRDA was approved on May 15 in a Senate vote of 83 to 14. Now, hopes are that the House will pass the bill.

WRDA: Dredging our Way Back

Jim Walker, Director of Navigation Policy and Legislation with the American Association of Port Authorities in Virginia, last month said "Most major U.S. ports, particularly those on the Atlantic and Gulf coasts have an annual, maintenance dredging requirement. The greatest challenge is the Mississippi River from Baton Rouge to the Gulf, where flooding and drought result in large variations in annual dredging requirements." He adds, "This year's flooding will make it a big dredging year on the lower Mississippi."

The U.S. Army Corps of Engineers is responsible for

Image above: Marine dredge E. W. Ellefsen working on the lower Mississippi River.

the nation's navigation systems. Ports rely on fed-funded maintenance dredging. But, port development and maintenance involves federal, state and local governments, along with the private sector. The federal government maintains harbor access channels, while ports build and service landside facilities and contribute to channel improvement through cost-sharing. Walker insists, "We need to have full use of the revenue collected each year from the HMTF. The federal dredging budget allocates $850 million to $900 million annually for navigation channel maintenance dredging but $1.6 billion is being collected by the HMTF yearly." WRDA, he says, will incrementally increase allocations to dredging and harbor maintenance, with full use of HMTF money taking place in 2020."

Walker continued, "We're pleased to see the WRDA bill, especially since it's been six years since the last one. But we won't get to where we need to be overnight with WRDA. Increased funding under WRDA is good but proper maintenance of navigation channels requires full use of HMTF revenues." After the Senate passed WRDA last month, the House of Representatives will take up the bill.

Big River Coalition: Aggressively Pushing the Agenda

Sean Duffy, Executive Director of the New Orleans-based Big River Coalition, maintains that government spending on dredging should be double the current levels. "The easiest solution would be to allocate the full revenue from the HMTF," he said "Revenue from this ad valorem-based tax continues to increase and is approaching $2 billion per year. In fiscal 2012, a little over half, or $844 million, of the yearly HMTF revenue of nearly $1.7 billion was allocated for harbor maintenance." In essence, more than half of the FY 2012 HMTF revenue wasn't used for its intended purposes. That's not unusual, say industry stakeholders.

The Office of Management and Budget (OMB) nevertheless – much to the chagrin of waterway users – defends using money in the HMTF for purposes other than waterways. But Duffy told MarineNews in May, "According to the Army Corps, if we use all the HMTF funds raised yearly on dredging, they could maintain all deep-draft channels and harbor maintenance projects. If we spend only $1.5 billion a year, we can start playing catch-up every year. The Corps estimates that if spending were increased to $2 billion a year, all commercial deep-draft ports could be dredged to their

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full dimensions in five years, and dredging costs would come down eventually." Also according to Duffy, the Lower Mississippi River is the top-priority project that needs dredging, followed closely by Great Lakes ports.

Addressing Great Lakes' Sediment

James Weakley, President of Ohio-based Lake Carriers' Association (LCA), said last month, "the Great Lakes Navigation System needs more than $200 million to restore ports and waterways dimensions. We have a dredging backlog of 18 million cubic yards of sediment. If WRDA doesn't pass and we don't get additional HMTF money for the Great Lakes, more harbors will close. If WRDA passes, we'll start whittling away at the dredging backlog and hope that in 5 to 10 years it will be back to authorized dimensions." Unchecked, that backlog will grow to 21 million cubic yards of sediment by 2017.

Weakley said "we're being forced to run inefficiently because the federal government isn't maintaining the waterways. We're light loading about 15 percent of our vessel capacity on each trip. We've had below-average water for fourteen consecutive years. We're handicapped by inadequate dredging and lack of water." He said waterways need to be maintained to support manufacturing and agriculture.

Equipment Usage: Subject to Seasonal Bottlenecks

When asked about the availability of equipment, AAPA's Walker said "the nation's dredging market is sized to the federal dredging program. In 2009-2010, with hurricanes and economic recovery funding, the Army Corps successfully managed a dredging program that was twice the size of the current one. Demand for dredging is seasonal, putting a strain on equipment. "The south Atlantic Coast, for instance, can only be dredged four months a year," he noted. Concerns about wildlife and fish, including migrating birds and winter flounder, dictate when work can be done, and, he added, "Equipment may not always be as immediately available as shippers would like."

Sean Duffy has a slightly different take on the matter. "Funding is more of an issue than equipment. Funding drives the equipment. If there were a five-year plan to double federal spending on dredging, I'm sure contractors would do everything possible to bring new equipment on line. If the revenue coming in is doubled, you adjust your business plan."

A new, large hopper dredge costs between $125 million and $150 million, Duffy said. "That's a huge investment for anyone. You want to know you'll make a profit, and you'd like the equipment to be working year-round." Duffy adds, "I think we're on the borderline of not having enough equipment. But sometimes equipment is sitting at the dock when the owner would like it to be out on a project." Up north in the Great Lakes, it's a different story. Jim Weakley laments, "The Great Lakes doesn't have a shortage of dredging equipment. We continue to have more than enough capacity to get the job done. It's a matter of having the funds to do the job."

Domestic Dredging Dig Diligently

U.S. companies catering to the dredge market provide an array of equipment and services and need to be flexible. At Custom Dredge Works, Inc. in Topeka, Kansas, "it's not uncommon for us to be building two or three

dredges simultaneously," said Chris Gossage, International Sales Manager. "Depending on the customer's needs, we can build a new custom dredge in five months. A majority of our sales stem from custom equipment orders. We design our dredges to meet a customer's requirements and do business wherever we're needed."

Gossage said "Because of continued steady sales, we've grown and we just expanded our facility to 100,000 square feet. We aim to keep lead time down by keeping wear parts fully stocked. Based on our supply system and our predictions of customer needs, we stock accordingly and we supply products across the globe."

The company's dredging projects are diverse. "Some of them are large government contracts, and others are for local sand and gravel companies," he said. "We have a few dozen dredges overseas. We have pretty good representation in Canada and South America." Gossage adds with confidence, "Because of our strategic project scheduling, lean process and quality systems, we're poised for substantial growth in the future."

Post-Panamax Pressure

U.S. Gulf and Atlantic seaports plan to dig harbors deeper to serve post-Panamax ships following the Panama Canal's expansion and widening, which should be finished in 2015. Last month, the Army Corps awarded a $122 million contract to Great Lakes Dredge & Dock Corp. in Illinois to deepen PortMiami in Florida. Miami's shipping channels will go from 44 feet deep to between 50 and 52 feet, and part of a channel will be widened so mega-ships can load and discharge cargo. GLDD has dredged Baltimore and other U.S. ports.

By 2030, post-Panamax vessels should account for 62 percent of the world's container fleet, according to an Army Corps report on ports and waterways, submitted to Congress a year ago. In its report, the Corps said that expansion of Gulf and Southeast ports appears to be justified but the viability of specific projects will depend on current port capacities, trade forecasts and population growth. Access the report on modernizing ports and inland waterways at: http://www.iwr.usace.army.mil/portandwaterways.

Outlook: More Money, Maybe

Sean Duffy sees considerable interest within Congress this year to increase allocations from what he described as "the broken, Harbor Maintenance Trust Fund mechanism." The HMTF will collect more than $1.7 billion in FY 2014, running from Oct. 2013 to Sept. 2014. WRDA would increase authorized spending for harbor maintenance projects to $1 billion in FY 2014 versus a recent $850 million to $900 million, and would raise authorizations by $100 million every year until a $1.5 billion total is reached.

Separately, AAPA itself has a number of recommendations. AAPA's U.S. Legislative Policy Council would like to see, among other things, a process to study and construct deep-draft projects; and an updated cost-sharing formula for dredging channels.

One of the issues surrounding HMTF is revenue distribution among ports. HMT money is generally transferred from ports with naturally deep channels to those requiring frequent dredging to maintain channel depths and widths. Louisiana receives a large share of HMTF spending. Mobile, Ala. and Portland, Ore. are fairly expensive to maintain. Meanwhile, Los Angeles, Long Beach, Seattle and Tacoma, and to a lesser extent New York, Boston and Houston are net generators of HMT revenue. These and other issues remain unanswered. Together, stakeholders – both brown water and deep draft players – need to work together towards a common goal. That's because the one thing everyone can agree upon is that the elusive prize represented by a fully integrated intermodal system hangs in the balance.

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A New Direction for DP

GE pioneers a friendlier operating system for mariners.

By Joseph Keefe

GE's Power Conversion business is bringing enhanced operability to the company's Dynamic Positioning (DP) system. According to GE, the latest version is more energy efficient, better integrated and more mariner friendly. Defining that concept further, Paul English, marine leader of GE Power Conversion, told ***MarineNews*** in May, "We are giving ship control back to the mariners." GE leverages more than 40 years of experience in its effort to reduce the burden of the technology on the operator. It's a new direction in DP. It's the mariner's DP.

GE's latest DP offering is mariner-focused, enhancing situational awareness and rebalancing attention from system management to true seamanship. This mariner-friendly package of controls and displays acknowledges the unique skill sets of the mariners operating the system, allowing them to re-focus on seamanship and ship handling rather than becoming distracted by DP system management.

Since introduced some 50 years ago, DP systems have become increasingly complex in their configurations and in their operation. Over time, the sophistication and complexity of DP systems has led to DP operators who are more preoccupied with managing the computer rather than on the primary task of controlling the ship. Alluding to this, English explains GE's new system by saying, "We are giving DP back to the operator. We are taking DP control out of the engineering world and putting it back into the marine world. We are turning it back into a nautical instrument."

That's probably music to the ears of veteran marine professionals everywhere who have, over the course of one generation, seen the bridge of the typical workboat morph from the most basic configuration into one that more resembles a space shuttle dashboard.

DP: the GE Way

Dynamic positioning (DP) is a computer-controlled system used to maintain a vessel's position and heading by automatically activating propellers and thrusters to counteract the displacing effects of the external environment. Today's computer control at the heart of a ship's positioning system also is more sophisticated, but the basic principle of DP remains the same: hold position with a computer system that takes signals from a range of sensors to sense environment, heading, position and attitude and issues commands to thrusters and propellers. Overall, it is a process that needs a high level of system automation so that a single operator can manage the vessel.

GE's newest version aims to allow the mariner to focus on his real job, controlling the ship, and not be distracted by the task of manipulating and controlling a complex computer system. In a nutshell, the new Dynamic Positioning System from GE Power Conversion puts control back in the hands of the mariner.

Control, Efficiencies & the Environment, too:

Using a new, ergonomically designed human-machine interface (HMI), the control panel is very clean and uncluttered with very few control devices. Its 26-inch touchscreen adjusts to each operator's preference while also accommodating operators of different heights. Equally visible across a wide range of lighting conditions, the screen displays come in a selectable range of languages that allow the operator to access all system functionality in his/her mother tongue.

GE DP is also designed with an eye towards energy efficiency and sustainability, including a new "Energy-Efficiency" mode. Consistent with its focus on fuel economy, emissions, machinery wear, and machinery maintenance (time/cost), operational costs are reduced and overall system up time/availability may be increased.

For example, when a supply vessel is alongside a rig, high-accuracy positioning is most important. The same supply vessel, standing by at a significant distance off the rig, can employ the Energy-Efficiency mode, resulting in a greater degree of position accuracy tolerance with substantially reduced fuel consumption. In the latter case, fuel savings of 10 percent or more with a corresponding 20 percent reduction in NOx achieved.

GE's system employs predictive software to anticipate position variation and to limit thrust changes, if the vessel is predicted to remain within the 'soft' operating window. If the vessel is predicted to move outside its 'hard' operating window the system develops optimum thrust to remain within that window. Advanced algorithms are used to optimize vessel heading to further reduce power consumption and limit thruster/machinery wear and tear. And, the efficiencies created by predicting future activity by optimizing position around the vessel heading – taking into account all variables – could save an individual vessel as much as $300,000 annually in fuel costs.

GE prefers to provide a complete system, rather than individual elements. According to English, "That puts us in a better place to see the broader picture and to optimize all the various elements in it to work together as they should. In essence, we are interfacing yesterday with today." The new system, delivered as an entire package in the design phase, can produce improvements in total vessel efficiencies of up to 30 percent. It can, of course, be retrofitted onto existing vessels, but efficiency advantages achieved would not be as great. The systems will, at first, be manufactured in the UK. GE took its first orders at the OTC Show in Houston.

New Generation DP: Advantage GE

The new GE DP provides new flexibility for effective maritime operations, an energy-efficient nautical system to reduce operational costs and emissions and a fully integrated system configured for optimum power & propulsion performance. Indeed, it is a class act:

More than one "Class"

Class 1 - In addition to the single DP system an independent back-up joystick system may be required. GE's joystick can optionally include DP functionality.

Class 2 - No single equipment failure will render the system inoperable. GE can supply Class 2 compliant triple voting systems which exceed the regulatory minimums and provide an even higher level of overall system integrity.

Class 3 - Triple redundancy in terms of equipment provision and vessel configuration. GE's optional quad DP system solution exceeds the regulatory minimum levels of DP control system equipment redundancy to provide an even higher level of overall system integrity. In effect the system can be seen as a "Class 3 +" which positively impacts overall system availability.

Regulatory Approvals, too: meets all major classification society and regulatory requirements including Det Norske Veritas, Lloyd's Register of Shipping, Bureau Veritas, American Bureau of Shipping, US Coast Guard and International Maritime Organization recommendations.

GE: the Full System Integrator

GE and DP have been used in the same sentence since the 1970's. In the time that has elapsed since then, they've commissioned more than 800 systems, from joystick maneuvering and "simple" DP to multi-redundant DP and Thruster Assisted Mooring Systems (TAMS) on all vessel types and sizes. And because the familiarization period with GE DP equipment is much simpler, mariners can come up to speed much quicker. To that end, system training is available in a wide range of locations, including but

Modes & features:

Hand Pilot	Autopilot 8
Manual Joystick	Automatic Joystick
Autotrack	Ship Follow
Autosail	ROV Follow
Auto Position	Autospeed

GE DP Module Targets:

Survey Ships	Drill ships
Cruise Liners	Cable Ships
Shuttle tankers	PSV's / OSV's
Pipelaying	Dredgers
Heavylift	Naval Vessels

not limited to the United States, Brazil, China, and Korea. But, for GE, DP is so much more:

Remote Support: ViSor Connect is GE's remote diagnostic and support system based on highly secure satellite communications links, enabling GE experts, regardless of their geographical location, to 'look over the shoulder' of the DP operator physically at the equipment, advising on fault finding and resolution.

After-Sales Service and Support: a wide range of packages tailored to a single vessel or entire fleets. Delivered world-wide, key benefits include single point of contact, reduced call-out rates, 24/7 support, routine maintenance visits, dry docking support, training, system health checks and spares management.

Obsolescence management: A managed system of upgrade paths for 'legacy' systems and allows for replacement of systems from other manufacturers with a minimum of disruption to ship's infrastructure.

Paul English insists, "At GE, we see the whole ship. That's because we engineer and supply so much of it, from gas turbines and diesel engines to rotating machines, variable speed drives, drilling systems and automation and control. We power, propel and position the industry. We understand the role of the DP control system relative to the entire vessel's operations; its integrated role in a network involving power generation and distribution equipment, propulsion and maneuvering machinery, digital controllers, electrical systems and more."

Today's GE DP system incorporates yesterday's lessons, today's mariners and tomorrow's technology. That's a combination that's hard to beat. Mariners everywhere are probably hoping that their employers think so, too.

LEEVAC to Build Two MPSV's for Hornbeck

LEEVAC Shipyards Jennings LLC has signed contracts with Hornbeck Offshore Services, LLC for the construction of two (2) STX Marine SV 310 Multi-Purpose Supply Vessels; 302' x 76' x 26', 12,070 BHP diesel electric powered MPSV's. The boats will be the twenty-third and twenty-fourth vessels to be built by LEEVAC for Hornbeck. The SV 310 is a complex vessel with unique characteristics integrated into the design by Hornbeck Offshore to meet subsea inspection, repair and maintenance (IMR) support and heavy lift requirements. The vessels will be outfitted with a 250 ton crane provided by Cargotech, and will be powered by four (4) Caterpillar Model 3516C Tier 3 IMO II Marine variable speed diesel propulsion generator sets rated at 2250 kw each. The propulsion drives and thrusters are being provided by Schottel. GE Power Conversion will provide the integrated electrical system, power management, vessel control, DP-2 systems, machinery alarms, power and propulsion systems. Marine Interior Systems has been selected for the joiner work and Marine Aluminum will be providing the helideck system rated for a Sikorsky S-92 helicopter. Built to ABS, USGC and SOLAS classifications, the vessel will meet ABS A1 Offshore Support Vessel (FFV-1) notation for off ship fire-fighting capabilities and SPS (Special Purpose Ship).

State-of-the-Art Fireboat for Houston

The Port of Houston Authority this month received the first of three high-performance fireboats to replace the current fleet. The new fireboats will equip the Port Authority's fire-fighting team with the most sophisticated fleet in the world. The new Firestorm 70 is a state-of-the-art command center and high speed response vessel. Built by MetalCraft Marine, each fireboat has powerful quad diesel inboard engines to propel the vessel at a swift 45 knots top speed; critical when providing fire protection for the 25-mile long Port of Houston. The new fireboats are maneuverable, make quick stops and change direction within three boat lengths. Part firehouse, part fireboat, the vessel enables the crew to stay on station for extended periods. The cabin includes a primary care berth with four secondary berths in the cuddy. Portable berths can be positioned to handle the injured at an incident. Four fire-fighting pumps can produce flow meter results of 13,600 gallons per minute (GPM) at 150 pounds per square inch (PSI) and 17,000 GPM at 130 PSI and stream up to 450 feet with a roof mounted Stang monitor. As a shore hydrant, the FireStorm 70 can pump an impressive 7,000 GPM at 70 PSI through 1000 feet of hose from a 5" Storz outlet before staging pumps are required. Each fireboat is 70'10" long with a breadth of 22'10" and a draft of 34 inches.

SubM & EPA's VGP Drive Green Trend on Workboats

Thordon Oil Free Propeller Shaft Bearings and Grease Free Rudder Bearings for Workboats produce two kinds of green.

By Joe Keefe

The final 2013 EPA VGP language is out. If you've got a Controllable Pitch Propeller and Thruster Hydraulic Fluid and other Oil-to-Sea Interfaces, including Lubrication Discharges from Paddle Wheel Propulsion, Stern Tubes, Thruster Bearings, Stabilizers, Rudder Bearings, Azimuth Thrusters, Propulsion Pod Lubrication, Wire Rope and other Mechanical Equipment Subject to Immersion, then you are at risk for reportable, potentially expensive costs associated with inadvertent discharges. Unless, of course, you've already started to change out your traditional seals, bushings and other oil-to-sea interfaces with seawater lubricated materials.

It goes without saying that the protective seals on any oil-to-sea interfaces must be maintained in good operating order to minimize the leaking of hydraulic oil or other oils. But, what if you didn't have to worry about that – at all? And, even if you are utilizing an EAL in all oil to sea interfaces, did you know that the discharge of biodegradable lubricants that makes a sheen is still a reportable regulatory event?

Actually, EPA recommends that all new build vessel operators endeavor to use seawater-based systems for their stern tube lubrication to eliminate the discharge of oil from these interfaces to the aquatic environment. For blue water operators, Thordon Bearings has long been a familiar name that has helped scores of vessel operators sleep better at night, save money and virtually eliminate the discharge of lubricants from a myriad of potential vessel sources. The advent of the new EPA VGP and the Coast Guard's dreaded subchapterM rules now promises to be the prime mover for Thordon on inland and coastal waters.

Three for the Money

In two readily identifiable areas and one that is rapidly evolving, the use of Thordon's patented Thorplas materials allows operators to eliminate the need for lubricants in traditional applications. Most commonly known for seawater shaft bearing solutions, Thordon also provides grease free rudder bearings and now, materials that work on deck, too. Thordon isn't new to inland applications. With over 20 years experience on the Mississippi River system, the long wearing Thordon RiverTough water lubricated propeller shaft bearings, grease-free SXL rudder bearings and Thorplas steering linkage bearings are rapidly becoming the choice of operators looking to run a regulatory compliant, clean and efficient fleet. Workboat operators like ACL, Blessey Marine, Ingram Barge and Seacor have already discovered how, with Thordon, all three metrics can and do go hand-in-hand.

Thordon RiverTough water lubricated propeller shaft bearings

Thordon provides a choice of water lubricated propeller shaft bearings for all types of workboats. Each option offers specific advantages in different water environments and operating conditions. Installing Thordon water lubricated propeller shaft bearings eliminates risk of pollution, provides proven long wear life and high natural wear resistance.

SXL rudder bearings & ThorPlas steering linkage bearings

Steering gear can be a highly neglected piece of equipment. Difficult to access to properly lubricate, it is also one of the most dangerous spots on the boat, fraught with pinchpoints and typically situated in a cramped and poorly lit area. The ThorPlas Self Aligning Bearing (SAB), developed for the live end of a hydraulic steering system, solves

Primary Benefits of Thordon Bearings

Safety: no physical lubrication necessary; less risk for crew.
Pollution Risks: eliminated / no lubricants required.
Economics: no need to carry lubricants / spares.
Wear rates: In very muddy waters; typically half that of rubber bearings - or often even less.
Easy Installation and bearing exchange.
Rudders operate without any binding.
Reduces piston and cylinder damage.
Operate under high loads of pressures to 4500 psi.

the problem of less than desirable alignment tolerances in the typical hydraulic steering system design. As most bearings in the steering system are greased sleeve type bushings, there is no allowance for vertical movement of the tiller pins. Misaligned steering gear causes bearings to wear out quickly, which in turn causes drag and burns fuel. The ThorPlas SAB allows the bearing to tolerate small angular misalignment resulting from deflection or improper mounting. However, misalignment is not the only stress input on this type of product: vibration, corrosion, and pollution are also very damaging factors to the steering system. With the Thordon bearing, the owner can lubricate, but doesn't have to. Thordon SXL is used in lower and upper bearing positions and pintles, as well as the thrust washer position. ThorPlas engineered, thermoplastic polymer, is recommended for the more highly loaded bushings in the tiller arm and "jockey-bar" linkages. Both products operate grease free, saving you time, money and the risk of pollution.

Deck Equipment

More familiar at or under the waterline, Thordon is moving into the deck equipment area in a much bigger way. The patented materials can be fitted to many deck fittings and davits – anywhere lubricant is required. In most cases you can fit and remove the need for lubricants. The use of Thordon effectively eliminates grease on deck and oily run off into waterways.

The Bottom Line: Yours

With more than 500 brown water and inland installations in recent years alone, and 40,000 vessel years of experience over the past 35 years, Thordon knows bearings – of all kinds. While at one time measurably more expensive, the cost of materials versus traditional methods is reaching equilibrium. Clearly benefiting from a good price point between traditional lubricated solutions, Thordon is nevertheless not selling on initial price; instead, on superior materials and ultimately, "Total Ownership Costs." In some cases, a 10 to 12 year lifespan for bearings is not unusual.

Finally, and in a world where every dollar counts, every barrel of fuel burned means a thinner bottom line and every inch of loadline lost to equipment weight amounts to permanent loss of deadweight capacity, the weight of Thordon materials is appreciably lighter than traditional bearing materials. As owners and operators now turn to composite valves, pumps and piping, they can do the same thing with their stern tubes, steering gear and a host of other applications. It turns out that getting greener could also produce more green for your bottom line, too. Who knew?

The Ballast Water Treatment Solution:

Early planning, engagement with competent partners will be the key to timely compliance.

By Joseph Keefe

The May announcement that W&O Supply had been named as the exclusive distributor of Hyde Marine's GUARDIAN Ballast Water Treatment Systems (BWT) in the U.S. and Canada may seem like routine news. After all, W&O Supply is one of the world's largest marine suppliers and has many such agreements in place, covering a wide range of equipment. This agreement, however, comes in advance of Ballast Water Treatment deadlines looming large in the porthole. It also lays out the blueprint for owners and operators to move forward on the complicated process of achieving regulatory compliance with both Coast Guard and IMO mandates. Florida-based W&O will begin selling Hyde GUARDIAN BWTS effective immediately.

The W&O/Hyde partnership is a logical one, leveraging W&O's experience in turnkey maritime equipment solutions and Hyde Marine's proven, type-approved and Coast Guard compliant equipment. Leading up to the agreement, W&O had already invested considerable time meeting with owner/operators and shipyards to help them better understand the regulations, vessels' needs and how the Hyde GUARDIAN system can meet those needs. None of that will be easy for those operators who late too long. Early engagement, prior planning and partnerships will the key for those who hope to smoothly comply with the looming regulatory requirements. *Here's why:*

Hyde, W&O, PG Marine – and you

Since its initial launch in 1998, the Hyde has sold more than 235 GUARDIAN® BWTS units for installation in various ship types and sizes around the world. Founded in 1975, W&O is one of the world's largest suppliers of valve automation, engineered solutions and marine pipe, valves and fittings for the marine and upstream oil and gas industries. Their inventory will now include BWT solutions, something W&O can distribute through a global network of 19 branches.

For vessel operators, there are now expanded options on the table which will help them get to the Promised Land. Norway-based PG Marine is Hyde's Distributor for the worldwide Offshore Service Vessel market and also is Hyde's Distributor for Norway. In terms of the most recent announcement, the PG Marine Agreement predates and is comprehended in all other Distributor and Agent Agreements. Hyde Marine's key account manager Jim Mackay explains, "We encourage PG Marine to cooperate with Hyde's Representatives around the world and in this case,

W&O has also been named as PG Marine's Representative for their full range of equipment in this territory."

Proven, Approved Equipment

With 24 retrofit installations of BWT systems on Offshore Supply Vessels already under its belt, Hyde Marine is one of the more familiar names in the domestic BWT game. And, for good reason. In the ballast water treatment business since the very beginning, the chemical free Hyde GUARDIAN BWTS uses efficient filtration and ultraviolet disinfection to prevent the spread of invasive species from port to port. In April 2013, the Hyde GUARDIAN BWTS earned the Alternate Management System (AMS) approval from the United States Coast Guard (USCG). It also received International Maritime Organization (IMO) Type Approval in April 2009 and has Type Approvals from several Class Societies. It was also an early player in the Coast Guard's Shipboard Technology Evaluation Program (STEP) program.

Looming Deadlines: no time to waste

A December 2013 BWT installation deadline for newbuild tonnage is just around the corner and in January 2014, vessels entering the shipyard for a major drydocking will have to comply by the time of departure. And, although some exemptions apply, it clear that the time for hesitation is over. Jim Mackay told ***MarineNews*** in May, "In a few months, this will be triage." Mackay expects Hyde Marine to be quite busy in the immediate future and then, steady in terms of business in the newbuild markets. And, while that may sound good for Hyde Marine and its distribution partners, it spells trouble for those operators who are not already making preparations for installation and compliance. Mackay cautions potential customers: "Do not make an uninformed decision at the last moment."

He adds that the key to success includes getting framed agreements early on. This allows the BWT manufacturer – no matter who you choose – to plan production. Mackay adds, "Committing as early as possible benefits both parties."

Todd Nestel, W&O's Integrated Solutions Manager echoed those sentiments, saying, "Fleets with 15-20 vessels of one class would do well to get a couple of boats commissioned early, and then proceed with the fleet in succession, using lessons learned. You want a consistent approach; the same, standardized equipment for each class of boat." But that's only possible if the manufacturers, shipyards and design firms have early notice of the plan.

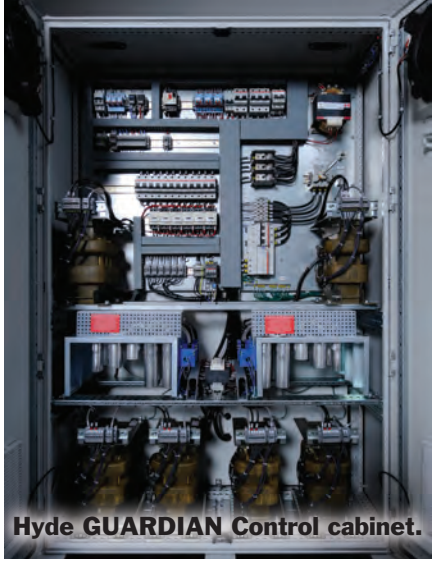
For newbuilding, keeping up with demands of a series-build client will be important. Nobody wants to put three different types of systems into one class of vessel. Beyond this, a better rate will probably be negotiated for a series BWT deal than one-off deals. But, unless the systems are readily available for shipbuilders when they need them, planned for in advance, the one-off purchase may become the practice of the day. And, with everyone trying to achieve compliance at once, that will inevitably mean delays.

Shipyards – the third leg of the BWT stool

Bill Young with International Ship Repair & Marine Service (ISR) also weighed in. ISR operates shipyards in Galveston and in Tampa. Young says, "We've been looking at this for more than two years. Most operators will want to do it in drydock, but that will require an upfront approach – you must prepare in advance for that visit." But, he adds, "The recent down economy affected the impetus to get prepared early, because that costs money up front." On the other hand, for those operators who continue to sit on their hands, trying to get it done at the last minute may even be more expensive. And, he says, shipyards today are still not fielding a lot of BWT inquiries.

For his part, Young and ISR have a good relationship with W&O and Hyde, but he'll work with owners to put in the right equipment for the specific vessel; no matter which BWT solution they choose. Owners can figure on at least 9 months advance notice to allow for planning and design work and about 4 to 5 months to deliver equipment. Aiming to speed up that process, Hyde itself employs 3D design technology which allows premade piping which can be assembled on board, instead of having the vessel endure a lengthy and sometimes messy manufacturing process.

Hyde GUARDIAN filter arrangement.



Hyde GUARDIAN Control cabinet.

No Silver Bullet

In terms of BWT solutions, there is no silver bullet: different routes, different ships, different sized vessels and different trades will demand different systems, for a variety of reasons. And yet, Hyde's solution probably fits into the U.S. domestic scene of shipbuilding very well. Already active in the survey fleets, OSV's and other smaller hulls, it is an appropriate, proven solution for these application(s). Its smaller space footprint, modularity, and scalability within class will be especially attractive to those tricky retrofit jobs that must be shoehorned into a limited amount of crowded machinery space.

Expanded Options: Easier Decisions, Real Solutions

A huge number of retrofits will eventually need to be delivered and processed in a very short period of time. After that, a lower volume of newbuild opportunities will still exist, but that business will be steady, nevertheless. For manufacturers of BWT equipment, the key to profitability and superior service for their clients will be to balance demand against the ebb and flow of business. Distributers – such as W&O – will need to start stocking equipment. Jim Mackay sums it up by saying, "We want to make this as easy as is possible. Partnering on projects – for example through Hyde, the shipyard, and W&O distribution – is one way to get down the learning curve faster."

Windows on the Workboat World

The first maritime photo contest ever featured in MarineNews features some dramatic entries from the hardworking, workboat sector. Workboats and their mariners come in all shapes, sizes and types, all reflecting the diverse readership of MarineNews. In this edition, Editor Joseph Keefe chose just a few deserving photographs from more than 1,000 submitted.

Workboats come in all shapes, sizes and perform multiple tasks. Our photographer calls this shot, simply, '*traffic*.' The picture exemplifies the close quarters in which many workboats find themselves – in this case, in New York Harbor – on a daily basis.
Photo Credit: Eric Norcross

Students rowing a traditional local craft in the Bay of Trieste. **At a time when the maritime industry finds itself thirsting for new talent, perhaps among their fresh faces, we'll find the next generation of mariners.**
Photo Credit: Sorta Obala

Work and Play**. A tugboat steams to her next assignment while a dolphin playfully tags along.**
Photo Credit: Noel Farinacci

A pot of gold **– in this case a fully laden tow on the Mississippi River –** ***under the rainbow.***
Photo credit: Gilbert Vowell

The U.S. Army has a Navy, too. *Four in Formation*; on the way to delivery, Narragansett Bay.
Photo Credit: Bob Pellatier

***Hard at work*, offshore in the Peregrino Field, Brazil**
Photo Credit: Jan Berghuis

The tugboat *Crowley Gladiator*, off Ferndale, Washington. With the proverbial bone in her teeth, this vessel exudes power and purpose, plowing ahead to her next assignment.
Photo Credit: Lyle Washington

Shortsea Shipping Defined. This photo was taken in the Netherlands and is entitled, '*Towering over a River Freighter*.'
Photo Credit: Paul Wilson

On the Ohio River, you can feel the heat come off the barge as this hard working seafarer stands by for the next command from the tow master. *This fellow puts the "work" in "Workboat."*
Photo Credit: Susannah Skiver

PEOPLE & COMPANY NEWS


Allegretti


McAllister


Liles


Hoffman


Staley


Gezer

Allegretti Takes Helm at AMP
The American Maritime Partnership (AMP) has elected Thomas Allegretti as its new Chairman. Allegretti is President & CEO of The American Waterways Operators.

McAllister Elected AWO Chairman
The American Waterways Operators elected a new slate of leaders. Buckley McAllister, President, McAllister Towing, was elected as Chairman and Frank Morton, Director, Turn Services, LLC was elected as Vice Chairman.

Liles Named Sales Director
Structurmarine appointed David Liles to the position of U.S. sales director for its new division, Timber dock Systems. Liles brings more than 30 years of marina experience in the timber dock market.

Wavecraft Appoints Hoffman
Wavecraft USA has named Kerry Hoffman its general manager for the Americas.

Swaim-Staley Elected Vice Chair
WTS International, the association for the professional advancement of women in transportation, has elected Beverley K. Swaim-Staley, President and CEO of Union Station Redevelopment Corporation (USRC), to the position of Vice Chair of its board of directors.

Falvey Pollution Insurance Division
Falvey Insurance Group has formed a new division, Safe Harbor Pollution Insurance. Russ Brown, Tony Gerone and Sean Quinn bring over 35 years of experience in underwriting marine pollution coverage to the new Long Island-based company.

New Role for Haynes at Dometic
Dometic Marine has appointed 25-year company employee Ben Haynes to the Commercial and Military Marine portion of Dometic Americas.

Chet Morrison Adds Three
Chet Morrison Contractors has added three key industry veterans. Metin Gezer is now VP of Land Construction Services. Darrell Ketchum will serve as Manager of Planning and Scheduling for the Land Construction division. Derick Bourg, now the VP of the Fabrication and Offshore Construction department, has headed the Harvey Fabrication Facility for Chet Morrison Contractors for the last 16 years.

Crowley Acquires Carib Energy
Crowley Maritime Corporation's petroleum services group is entering the Liquefied Natural Gas (LNG) market by acquiring Florida-based Carib Energy.

ISA Establishes U.S. Office
International Shipyards Ancona has announced the grand opening of its North American operations with an office at the Portside Yachting Center in Fort Lauderdale.

Bel Joins NOIA
Megan Bel has joined the staff of the National Ocean Industries Association (NOIA) as Senior Director, Government & Political Affairs.

Harvey Gulf Invests $540m
Harvey Gulf International Marine has executed three agreements for vessels totaling $540 million: Eastern Shipbuilding Group will build two STX-CV Heavy Lift Construction Vessels; TY Offshore will build the sixth Dual Fuel Offshore Vessel to be owned and operated by Harvey Gulf International Marine; and it signed an asset purchase with Gulf Offshore Logistics of Lafayette, La., for 11 DP2 Offshore Supply and Fast Supply Vessels.

VT Halter's Dry Dock Arrives
VT Halter Marine announced the arrival of a 12,000 MT Floating Dry Dock transported by a heavy lift vessel from the Philippines. The dock dimensions are 546 x 128.5 x 46 feet. The dry dock is part of an overall expansion plan to the south yard in Pascagoula where VT Halter Marine is adding a repair facility for semi-submersible drilling rigs and Panamax-size ships.

Conrad Shipyards Honored
Conrad Shipyard received the 2012 "Award for Excellence in Safety" as well as the "Award for improvement in Safety" by the Shipbuilders Council of America (SCA).

NSI's "Scroll & Roll" Trackballs

NSI has introduced a waterproof trackball range with integrated IP68 scroll wheel. Featuring easy scrolling even in the harshest of environments, the "Scroll & Roll" range is available in 8 different executions. This series is IP68 waterproof and uses the latest generation of laser trackballs. The laser trackball has a removable top ring for easy cleaning, decontamination and maintenance. The use of stainless steel for the various parts ensures the best resistance in salty or greasy environments. Both panel mount types are available with studs or with holes (for countersunk M4 screw).

www.nsi-be.com/marine-products/

Lankhorst's Synthetic, Steel Wires Ropes

Lankhorst Ropes Offshore Division has expanded its range of high performance mooring and anchoring ropes to include steel wire ropes for the offshore market. Now offering both synthetic and steel wire ropes for mooring and anchor systems, as well as towing, crane lifting, riser tensioners and drilling applications, Lankhorst is initially supplying 6-strand, 8-strand and multi strand (non-rotating) steel wire ropes direct from WireCo WorldGroup factories. In addition, the steel wire ropes end terminations can be customized to meet the engineering demands of specific offshore projects.

www.lankhorstropes.com/Maritime

ABS Approval for Fireboy-Xintex System

Fireboy-Xintex Inc. now offers ABS approval on its USCG Type Approved and IMO Solas Approved Elite RSM marine and offshore fire detection systems. The Elite RSM Analog Addressable Fire Alarm Control Panels are available for hosting up to 252 fire detection devices on commercial vessels and yachts. Control panels can be expanded and networked. Elite RSM Control Panels are easy to understand for commissioning personnel, with an auto learn feature for automated system set-up. Features include marine grade Apollo protocol smoke and heat detectors, two full SLC loops and leading edge microprocessor based electronics.

www.fireboy-xintex.com

3M Makes Masking Simple

3M has launched a new lineup of masking tapes engineered to perform in most all industrial jobs. They include Value Masking Tape 101+ for basic jobs such as marking, temporarily holding, wrapping and sealing; General Use Masking Tape 201+ that's tough enough for bundling, labeling and identifying; Performance Yellow Masking Tape 301+ for industrial paint masking, color coding and sealing; High Performance Green Masking Tape 401+/233+ for industrial painting of boats and other specialty vehicles; and Specialty High Temperature Masking Tape 501+ for industrial performance in high temperature paint baking applications.

www.3M.com

Van Heck's 'Green and Easy Oil Recovery' System

Van Heck has introduced a pump system that enables fast, contained oil recovery after 'off-spec' fueling and in the event of grounding or calamity. The 'Sea Trophy' pump ensures fast, controlled removal of fuel oil which limits or eliminates economic and environmental damages. This hydraulically driven pump can be used for both light and heavy oil. Compact in design, it is ideal for use in the most demanding situations, even onboard a listing ship. Its size allows entry to tanks through vent- and sounding pipes and the FOR system, with accessories adaptable for use in cargo tanks through small apertures.

www.vanheckgroup.com

NAMJet Chosen for Oyster Harvester

Everest Marine has chosen NAMJet to provide TRAKTOR Jet propulsion solutions for its newest oyster harvest vessel. The TRAKTOR Jet-powered Pacific Express provides exceptional maneuverability and power in the shallow, windy working conditions in the Pacific Northwest. Powered by a single 425-horsepower (hp) John Deere diesel, the NAMJet TJ-610HT waterjet pushes the 64-foot, vessel to an impressive 15-knot top speed, while a Wesmar V-10 bowthruster helps the vessel to stay on track. The tenth vessel designed by Everest Marine for Coast Seafoods; all feature TRAKTOR Jet waterjets in either single or dual configurations.

www.NAMJet.com

Honeywell's HERMetic Technology Ensure Safer Operations

Inland barge operators are turning to Honeywell's Tanksystem portable level gauging and sampling technology for custody transfer measurements, safety and environmental protection on newbuild barges and retrofit vessels. Honeywell has supplied more than 1,200 vapor control valves for deck installation (each barge typically has 3-6 tanks) in the U.S. over the past year. The use of a ball valve permits tank gauging and sampling under completely closed conditions. HERMetic deck valves are heavy-duty, compact ball valves constructed from 316 stainless steel, and incorporating Teflon gaskets and a deck flange meeting the ANSI 150-pound standard.

www.honeywellmarine.com

GM Engineering's TugCam Eliminates Blind Spots

The TugCam from GM Engineering Services is designed to increase safety and efficiency by virtually eliminating blind pushes and allowing them to see in complete darkness. The latest version is a rapidly deployable wireless camera system featuring infrared illuminators designed specifically for use on the water. Improvements extend all around the platform including easy to adjust zoom, focus and thumb screws to quickly tilt the camera in any direction. This version of TugCam contains a wireless transmitter with rechargeable battery and magnetic base to secure the TugCam to virtually any magnetic surface.

www.tugcam.com

HHI's Mini Shipbuilding Welding Robot

Hyundai Heavy Industries (HHI) has developed mini welding robots for shipbuilding. Its compact design, measuring 50 cm by 30 cm by 15cm, can operate in confined areas inaccessible to human welders. The machine can carry out almost all types of welding work at a similar speed as a welder. A magnet allows the machine to be attached to steel walls or ceilings. Weighing just 15 kg, an operator can control three machines at the same time increasing productivity threefold. Software also allows for steel cutting, blasting and painting, and other shipbuilding roles.

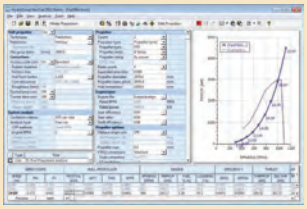
http://english.hhi.co.kr/biz/ship_over

Parat's Spill Response Solution

Spilled oil recovered by OSR-equipped vessels is stored until it can be delivered to recovery stations ashore. Parat Halvorsen's a steam heating solution, the Parat ORO multi nozzle arrangement, heats the whole tank from one insertion point. Approved for marine use by Germanischer Lloyd, BV, DNV and LR, it has patented part of the hot water circulation loop used in normal operations interconnecting heat recovery and heat consumers to ensure continuous operation. If an oil spill occurs, the vessel can bypass the boiler in the hot water loop and re-mobilize the boiler to generate steam for the ORO tank heating system.

www.parat.no

HydroComp NavCad Released



HydroComp NavCad is software for resistance and propulsion that can be found in the toolbox of naval architects and marine professions from around the world. First introduced in 1988, the new NavCad establishes a framework for ongoing feature development and add capabilities and reliability. After three years of development and user testing, the new NavCad provides new tools for planing hull prediction. NavCad's planing hull analysis now provides for the definition of hull warp, influence of propulsor lift, as well as improved trim tab contributions plus new support for interceptors.

www.hydrocompinc.com

VideoTel Launches Latest Training Catalogue

Videotel has released its latest training catalogue, STCW Maritime Training Catalogue 2013-2014, comprising more than 800 titles. Videotel's blended training approach for video, computer-based training (CBT) and interactive courses is available in some 29 languages. Videotel also boasts tutor-led distance learning training courses, a selection of training titles and Webinars, and a Videotel Academy for companies with specific requirements for their in-house training. All training is available on board using Videotel On Demand (VOD), as well as online and onshore in video, CBT, interactive CD and accompanying booklet formats.

www.videotel.com

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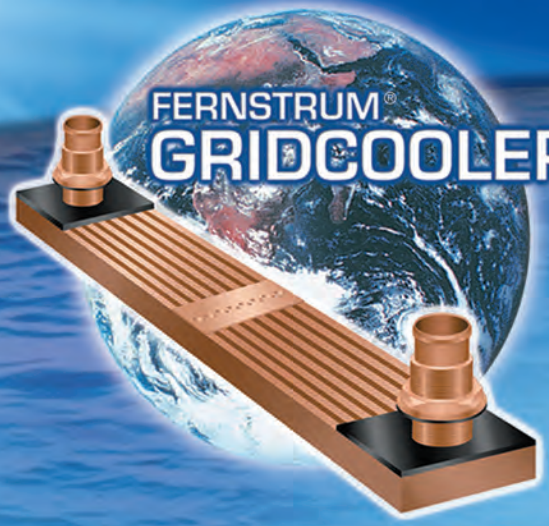

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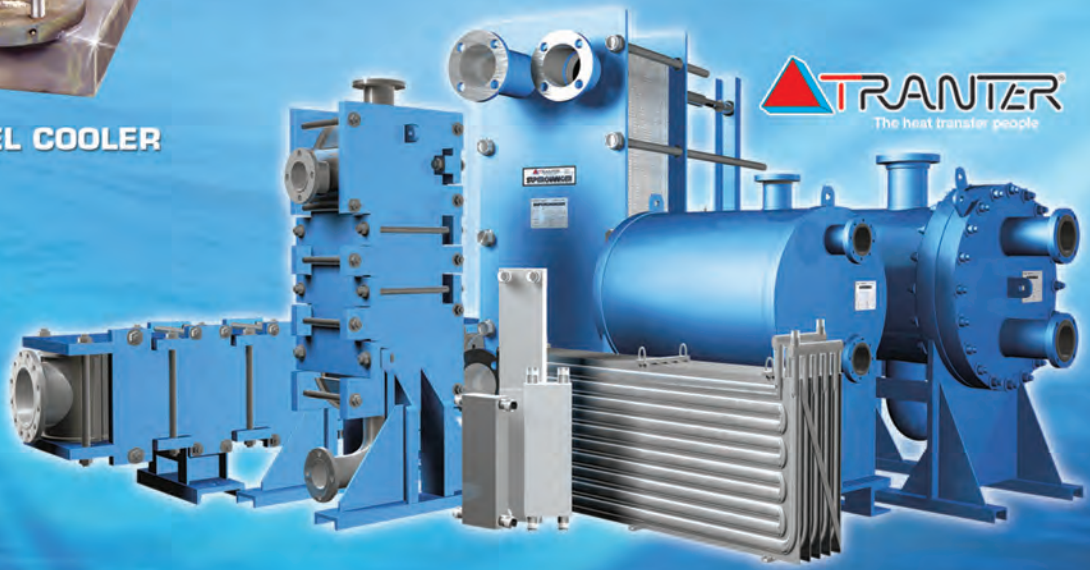

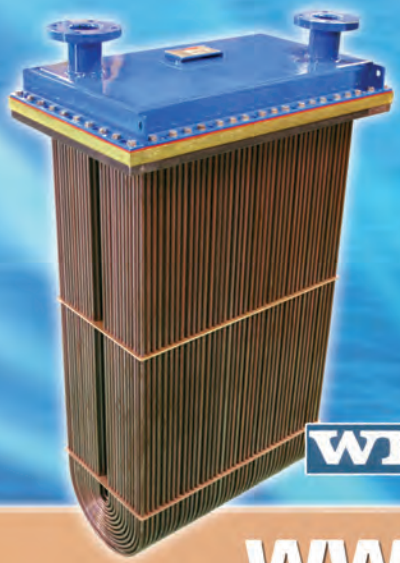

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