

December 2007

The MARITIME EXECUTIVE

INTELLIGENCE CAPITAL FOR EXECUTIVES

A photograph of two men in dark suits standing side-by-side against a light blue background. The man on the left is wearing a light blue tie, and the man on the right is wearing a striped tie. Both have their hands in their pockets.

Versatility and Vision

Harvey Gulf International Marine, Inc.

Shane Guidry, President & CEO

Chad Guidry, Vice President, Marine Operations



Case Study : Harvey Gulf

A Family of Themes...

BY JOSEPH KEEFE

16

Editorial

Outside, Looking In

BY JOSEPH KEEFE

6

Louisiana Story

Business (Not) As Usual

BY MAREX STAFF

34

Executive Interview

Shane Guidry, President and CEO, and Chad Guidry, Vice President, Harvey Gulf

BY JOSEPH KEEFE

24

Washington Insider

Washington Should Allow Responsible Development

BY LARRY KIERN

8

Earning Back the Trust

U.S. Coast Guard's National Maritime Center Centralizes and Relocates to West Virginia

BY JOSEPH KEEFE

36

Short Sea Shipping

The Time for Short Sea Shipping Is Now

BY CHARLES G. RAYMOND

12

Patrol Boats

Plugging the Smallest Holes in Port Security

BY JOSEPH KEEFE

42

Marine Money

Clueless About Valuation

BY GEORGE WELTMAN

55

State of the Port

Economic Importance Drives Port's Recovery

BY GARY LaGRANGE

14

Marine Coatings

It's All About the Money

BY MAREX STAFF

50

Patrol Boats: Plugging the Smallest Holes in Port Security





Big Value in Small Packages May Well Be the Key to More Effective Port Security

Well after departing the White House, Dwight D. Eisenhower characterized Andrew Higgins as “the man who won World War II.” Higgins, of course, was the designer of the now famous landing crafts (LCPs, LCPLs, LCVPs and LCMs) that the strategy of winning the war was built upon. Because of his heritage, which saw him spend much of his early life on inland shallow rivers with shifting sandbars as hazards, his interest in the shallow-draft concept would eventually lead him to develop the platforms from which D-Day became a success and the “island-hopping” campaign in the Pacific was executed.

By Joseph Keefe

patrol boats: port security

Today, a different kind of war is being fought, at home and abroad. This time, the weapons involve a terror so insidious that the very nature of maritime commerce has been altered because of it. It is widely acknowledged that perhaps the weakest link in the war that will probably never really end is represented by the 95,000+ miles of American coastline, as well as the threat inherent in waterborne activity overseas. In response, a different breed of shallow-draft equipment has been developed specifically for port security. Nimble and fast and smart, these patrol craft are forming a less visible but nevertheless important part of our defense capabilities. Some day, the patrol craft being manufactured and used by the U.S. Coast Guard, U.S. Navy and scores of other foreign and domestic seagoing security forces may come to be known as this century's equivalent to what Andrew Higgins accomplished more than 60 years ago.

The patrol boat industry is today responding in a big way to what U.S. Coast Guard Commandant Thad Allen calls the "next big thing": the small boat threat. Defined loosely as any craft of 300 gross tons or less, it is these small and nondescript vessels that pose the biggest threat to shipping, U.S. ports and



our transportation infrastructure itself. Beyond this, small boats potentially slide easily under the radar – literally speaking and otherwise – of the hundreds of millions of dollars now being spent on port security. The threat that these small craft present is easily defined, and perhaps the most important mission of any patrol boat platform is to prevent the next "Cole-style" attack from taking place.

SeaArk Marine: Protection in the Harbor and Around the World

Large ocean carriers and their managers probably only have a passing interest in the world of patrol boats, but however removed these smallish craft might be to the daily activities of today's megaliners and VLCCs, they ultimately have a marked impact on the

MAINE MARITIME ACADEMY
www.mainemaritime.edu
 800-227-8465

TIDALWAVE HMX
 MARINE SANITATION DEVICE

Custom Biological Systems Available

Touch Screen Control Panel

SEWAGE TREATMENT SYSTEM

- USCG CERTIFIED; LLOYDS REGISTER APPROVED TO IMO STANDARDS FOR WORLD WIDE ACCEPTANCE
- NO CHEMICALS REQUIRED
- PATENTED CROSS-FLOW SEPARATION TECHNIQUE
- LOW MAINTENANCE
- QUIET, ODOR FREE PERFORMANCE
- EASY & AUTOMATIC OPERATION WITH PROGRAMMABLE FEATURES
- CONSTRUCTED OF TOUGH, CORROSION RESISTANT MATERIALS
- SMALL FOOTPRINT & LIGHTWEIGHT DESIGN
- CAPACITIES UP TO 190,000 LITERS PER DAY
- PLC WITH COLOR TOUCH SCREEN DISPLAYS AND AUTOMATES ALL VESSEL WASTE TANKS INTO MSD

TIDALWAVE HMX Marine Sanitation Devices provide advanced wastewater processing. By utilizing chemical oxidation, hydro-maceration and patented cross flow separation techniques, a sterile, dechlorinated effluent is achieved. An electrocatalytic system generates sodium hypochlorite from seawater to eliminate consumables. PLC automation permits the treatment technique to be customized after installation to treat varying hydraulic or organic loads, and meet future performance standards. From marine sanitation's global leader in marine aluminum or steel construction with a flexible, ceramic-loaded epoxy coating.

HEADHUNTER
www.headhunterinc.com
 3380 SW 11TH AVENUE FORT LAUDERDALE, FLORIDA 33315
 PHONE: 954-581-6996 FAX: 954-587-0403



SeaArk from its Monticello, AR headquarters. Initially, the NCW was used as a coastal patrol boat, but it has since found great utility as a platform to escort supertankers in and around Kuwait and Iraq. With a crew of four, the boats are fast, maneuverable and well-armed. After seeing the craft in action, Kuwait went ahead and ordered 15 NCWs and Jordan, also seeing utility there, has ordered several more.

Another entry in SeaArk's maritime security portfolio is the Harbor Security Boat (HSB). The HSB is manufactured in the 27-to-28-foot range and is used primarily as a Naval defensive asset in the war against terror. At least 80 of these craft have been built for the U.S. Navy, and today they are in use around the world in locations such as Guantanamo Bay, Cuba; Japan; and, of course, right here at home in the United States. SeaArk Vice President Ken McFalls told *MarEx* this month that his firm is working on providing armor for these vessels as a future add-on option.

Another recent but exciting entry to SeaArk's military line of equipment is its Seal Boat, intended to transport teams of elite soldiers over water. Eight of these boats have been contracted, and the company is working on contracts to build more.

bottom line. One such craft is SeaArk Marine's Naval Coastal Warfare Craft (NCW). The NCW, just 34 feet in length, packs a powerful punch in the war against terror. With the U.S. Navy's NAVSEA as its number one customer for this genre of craft, SeaArk has already constructed more than 90 of them.

SeaArk Marine, formerly known as MonArk Boat Company, has custom built all-welded

aluminum workboats for over 45 years. In 1988, the company sold off its recreational line of business in order to concentrate on supplying vessels to all branches of the U.S. military, the U.S. Army Corps of Engineers, the U.S. Coast Guard, fish and wildlife agencies, state agencies, commercial oil companies, municipalities and many other commercial and government entities. Over 200 skilled craftsmen work for



ABS, BV, DNV, GL, LRS HSC APPROVED

Standard lightweight & purpose designed equipment for high speed ships to 600 ft.

Built in Australia and USA for a worldwide market.

Phone +61-8-8333 0222 or
504-289 9672
paul.kaminsky@hypac.com.au
wlecompte@automationeng.com
www.hypac.com.au

Hypac

WSF Port Captain

\$81,300 - \$99,204 Annually,
DOQ Plus Excellent Benefits

There is an exciting opportunity to become a Port Captain for the Washington State Ferries! WSF operates the largest ferry fleet in the United States and the North Region Port Captain would have broad responsibility for directing licensed and unlicensed deck department employees in all aspects of the safe and efficient operation of the fleet of ferry vessels. Responsible for the enforcement of all U.S. Coast Guard and WSF rules, regulations and procedures. Must possess an unlimited USCG license as a Master of motor vessels, of any gross tons, or have equivalent vessel operating management experience and be able to obtain a first class pilotage endorsement for all ferry routes.

For complete position information and application instructions, please visit www.wsdot.wa.gov/employment/jobs.htm and reference E- 07-005

Brunswick Commercial & Government Products: Deep Roots in Defense

Known for many years as the commercial and government division of Boston Whaler, Brunswick Commercial & Government Products, Inc. is today a subsidiary of Brunswick Corporation. With deep roots in the defense industry dating as far back as the Vietnam conflict, Brunswick is known for providing safe, longest-lasting and dependable platforms for a variety of law enforcement /homeland security, special operations/combat, fire/rescue and workboat applications. Over the

With separate facilities and management from the other divisions of Brunswick, this group is free to concentrate on what it does best: building patrol boats and other specialty platforms for government use.

years, it has evolved substantially to meet the continually changing needs of its customers.

As a stand-alone company overseeing the manufacturing of the commercialized Boston Whalers, Brunswick has its own dedicated staff and facility. And that's part of the "evolution" story. Eric Caplan, President of Brunswick Commercial & Government Products, told *MarEx* recently, "We exist as a stand-alone group for many reasons, but the custom nature of what we do does not lend itself to the traditional small boat assembly line normally associated with the recreational craft market. Our shop is closer to a traditional shipyard operation." With separate facilities and management from the other divisions of Brunswick, this group is free to concentrate on what it does best: building patrol boats and other specialty platforms for government use.

Also responsible for commercial applications for the entire Brunswick Boat Group – one of the world's leading powerboat manu-

facturers – Brunswick offers access to a wide variety of hulls up to 100 feet in length. One of the key missions supported by any Brunswick platform is that of the Coast Guard's highly visible Port Security Units. The program started in 1988 with the concept of loading the two biggest craft possible onto a C-130 transport plane for immediate transport to anywhere in the world at a moment's notice. Later, the program evolved to include a single, slightly bigger platform, accompanied by a truck which could transport it to the water from the landing strip. After 9/11, the number of Port Security Units increased by two in response to the greater threat to our nation's ports, and Brunswick of course responded to this requirement. The Port Security Units continue to be one of the most critical aspects of the Coast Guard's Homeland Security mission mix.

Another high-visibility product produced by Brunswick is the Combat Riverine Craft. These low-cost, 25-foot craft have been deliv-

ered and deployed in such places as Mexico and Argentina, with 300 alone operating in Columbia in an anti-drug / interdiction role. The boats come in varying sizes, with the possibility of transporting up to 12 personnel traveling at 40 knots and bristling with five weapons stations. That Brunswick has built and delivered so many of these craft is not surprising given its roots, which go all the way back to Vietnam, where it provided 16-foot, four-man patrol boats for operations in the deltas of Southeast Asia.

Brunswick has always been able to respond to the demands of the U.S. government. In the beginning, the Whaler boats were bought directly from the manufacturer as is and later modified for specific missions. Then in 1981 the federal government asked Brunswick to modify them and provide a fit-for-purpose platform, eliminating the requirement of having to modify them after market. By 1982, Brunswick had dedicated an entire facility





boat manufacturing facilities. Although the government work is but a small percentage of our annual sales, our depth in the marine world puts us in good position to respond to any challenge. We can support the government with service, sales and training around the world." He adds that Brunswick deals regularly with Cummins, the supplier of engines for some of their patrol boat platforms, and that Brunswick also owns Mercury Marine.

Under the RADAR No More: American Electric Technologies Partners with Bollinger to Power U.S. Coast Guard Coastal Patrol Boats

Just this month, American Electric Technologies, Inc. (AETI), a premium supplier of custom-designed power distribution and control solutions for the traditional and alternative energy industries, announced that its subsidiary, South Coast Electric Systems, L.L.C., has begun delivery of power systems for eight Bollinger Shipyard-manufactured 87-foot marine protector class coastal patrol boats (CPB) contracted by the U.S. Coast Guard. Although the financial details were not disclosed, the deal represents another major step into the homeland security game for AETI.

and management team to the government and commercial work.

Eric Caplan touts the Brunswick method of building hulls as the best way to protect the boats and crews. The foam-filled Brunswick hull has no stringers for rigidity, and the foam itself adheres mechanically and chemically to the hull. In this way, the hull is common to itself, both fore and aft and athwartships. It

literally cannot sink, and Brunswick's favorite way to demonstrate that feature is to show a dramatic photo of one of its hulls after it has been riddled with 1,000 rounds of gunfire.

Going beyond the variety of law enforcement and military solutions offered by Brunswick today, Eric Caplan points to the depth and breadth of the company. "We turn out over 90,000 boats annually from a total of 37

Don't Get Burned.



Firesafe & Watertight Cable and Pipe Penetration Seals

RISE doesn't just stop fire cold, it also cuts installation time dramatically so you won't get burned financially. The RISE cable and pipe penetration sealing system is virtually impenetrable to fire, smoke, gas and water. For a copy of the groundbreaking booklet "Everything You Should Know About Cable and Pipe Transits" or for more information, contact W&O Supply.



Approved for A&H Class Boundaries by ABS, DNV, USCG, Lloyd's Register and TC.

1-800-962-9696
www.wosupply.com

Pipe • Valves • Fittings • Metrics • Engineered Products • Automation

FROM THE LEADER IN AT/B DESIGN

12,000 HP COSTWISE AT/B Tug for Maritrans



The first 345,000 BBL COSTWISE AT/B's now under construction in 2006!

OCEAN TUG & BARGE ENGINEERING CORP.
508-473-0545

Redesign of the "BARNEY TURECAMO" for AT/B Service



WWW.OCEANTUGBARGE.COM

258 MAIN ST. SUITE 401 - MILFORD, MA 01757

Increased homeland security and other heightened law enforcement issues like drug and illegal alien interdiction have not only raised the bar for sanctions but also for the requirements for the vessels that keep America's borders safe.

Bollinger has contracted AETI to deliver eight sets of American Bureau of Shipping marine-class generator controls and power distribution switchgear for the multi-mission CPBs, which are capable of performing search-and-rescue, law enforcement and fisheries patrol missions. The switchgear has been cus-

Defending against the small boat threat and / or the possibility of the next "Cole-style" attack will certainly not be the domain of a 500-foot-long platform.

tom-designed to meet the strict requirements for size and weight of these armed vessels.

"These patrol boats are state-of-the-art vessels and have specialized power requirements to be able to perform all the functions for which they are designed," said Paul Champagne, Bollinger's program manager. "We respect AETI's reputation and vast knowledge in the marine power distribution industry, and that's just one reason why we chose them for this project."

The CPBs, which have two MTU 8V 396 TE94 diesel engines, are built to carry up to 2,900 gallons of fuel and can tow up to a 200-ton vessel. The system includes slow-speed drive capabilities to help the vessels maneuver in restricted waters or tow small pleasure craft after a successful search-and-rescue mission. The engine control and monitoring systems are equipped with operational data recorders to provide performance-based maintenance and to improve logistics support.

AETI has already delivered two power sys-

tems for the CPBs being built at Bollinger's Lockport, LA facility and is scheduled to deliver at least one ship set each month until the first quarter of 2008.

"American Electric Technologies is accustomed to tailoring our systems and creating customized solutions for our clients' evolving requirements," said Charles Dauber, senior vice president of marketing and sales for AETI. "We are proud to be a part of a project like this one that helps the U.S. Coast Guard in its mission to protect the safety and security of America."

AETI is headquartered in Houston and has global sales, support and manufacturing operations in Keystone Heights, FL; Beaumont, TX; Bay St. Louis, MS; Singapore; and Xian, China. AETI subsidiary South Coast Electric Systems L.L.C. is based in Pearlinton, MS and services Gulf Coast marine and vessel customers. AETI's SEC filings, news and product/service information are available at www.aeti.com.



Patrol Boats: Increased Utility in a Dangerous World

There has always been a market for smaller defensive and offensive marine platforms. At one time, the utility of this genre of boat was primarily focused on law enforcement and not necessarily a military role. The tragic events of 9/11 have blurred the line of demarcation between the two and probably forever. Just ask the Coast Guard.

Sometimes lost in all the hand-wringing over the shrinking state of domestic shipbuilding, the small boat manufacturer is now arguably one of the most important parts of the port security puzzle. Defending against the small boat threat and / or the possibility of the next "Cole-style" attack will certainly not be the domain of a 500-foot-long platform. The U.S. Navy and the Coast Guard both know it, and slowly but surely maritime executives everywhere are waking up to the same realization.

MarEx