

Communicating Through Public-Private Partnerships



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TRB - 10th Annual Harbor Safety Committee
Conference

Conventional Ferries

St Johns River Ferry

Operates from Ft. George to Mayport, Florida

19,000 trip per year

220 Passengers

40 Cars

Sterling Award from City



The Fort Morgan is under a five year operating agreement with the Alabama Department of Transportation (ALDOT). HMS provides turn key management, crewing, sales, and marketing for this operation.

Conventional Ferries

- Freedom Ferry serves the Riverlink Ferry system
- Operates between Camden, New Jersey and Penn's Landing in Philadelphia, Pennsylvania
- 600 passengers
- Seasonal transportation and charter services annually between May and September.



HMS-Pacific Navigation Company operates the combined passenger and vehicle ferries M/V Christine Anderson and M/V Steilacoom which serve the communities of Steilacoom, Ketrion Island, and Anderson Island. Under this vessel management and terminal service contract. New vessel under construction.

Excursion Vessels



Currently under the construction management of Hornblower Marine Services Sea Fair offers an innovative new portal for the fine arts, enabling American and international art dealers and jewelers to create a mobile gallery presence aboard the Grand Luxe, A specially built exposition vessel following an annual route along the eastern seaboard of the United States. Voyages begin in 2007...

- Increased sales 60% in a two year period
 - Cut annual losses in two years from \$1.12 million to \$231,000
- HMS significantly improved the vessel's performance and appearance, increased profits, developed a new marketing and food and beverage program, upgraded the accounting and financial reporting system, and created an automated reservation system.



Gaming Vessels



- 288 ft. Casino CAT
- 2,990 passengers/205 crew/85 marine crew
- Berthed at Buffington Harbor on Lake Michigan.

- M/V City of Evansville
- First riverboat casino in the state of Indiana
- Built by Jeffboat in Jeffersonville, Indiana
- USCG Public Service Commendation
- 3000 Passengers
- 300 Crew



- M/V Glory of Rome
- 452 ft./ world's largest riverboat casino
- 5,223 passengers/101 crew
- 93,000 sq. ft. of gaming space
- Four 1,000 hp Z-Drives

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High Speed Passenger Ferries



High Speed Car/Passenger Ferry Operations



QuickTime™ and a
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are needed to see this picture.



Communicating through Public - Private Partnerships

- New Projects
 - Lake Express
 - Spirit of Ontario
 - WestPac Express
 - Hawaii Superferry

Lake Express

- Lake Michigan Operation
- Milwaukee to Muskegon
- 70 nautical miles
- 2.5 hour crossing
- 58 meter car/passenger ferry
- 253 passengers
- 46 autos
- Speed 34 knots
- 4 - MTU 4000 Series Diesels
- KaMeWa Waterjets
- Built by Austal USA
- Departed Mobile May 5, 2004
- Commenced Service June 1, 2004
- HMS responsible for all aspects of operation



Lake Michigan Projects

- Existing Operation
 - Lake Michigan Car Ferry
 - SS Badger
 - Ludington MI to Manitowoc WI
- Lake Express
 - Milwaukee WI-
 - Muskegon MI

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Project Challenges

- Right Vessel for Route
- Vessel Construction
- Vessel Delivery & Training
- Terminal
- Call Center
- Security

Vessel Criteria

- Two smaller vessels would be better than 1 large vessel
- Vessel Design Specifications
 - Would need to make transit less than 2.5 hours
 - Carry approximately 250-400 passengers
 - Approximately 50 cars
 - Quad Engine & Quad Jet

US Regulatory Process

■ Subchapter K

- Limit size of vessel
- Weight and access penalties
- Clear manning guidelines

■ Subchapter H

- Used for larger craft
- Not geared to aluminum craft
- Could result in very heavy vessel

■ IMO-HSC

- **Geared to International Vessels not Domestic**
- **Not applicable for vessels operating on the Great Lakes**
- Combines three separate disciplines
 - Construction
 - Operations
 - Maintenance
- **86 separate interpretations by Flag State**
 - USCG default to manning based on ITC tonnage
 - Crewing and Type Rating Challenges

Regulations Drive Class on Great Lakes

- If Over 100 Gross Tons
 - 3 Watch Rotation
 - 2 Watch Rotation if Less Than 100 GT
- If Over 100 GT
 - every crewmember must have MMD
- Manning (Not Specifically Great Lakes - Tonnage Based)
 - AB's vs. Deckhands
 - Chief Engineer
- **Decision - Non Code - Subchapter K Vessel**

Manning

- **USCG Manning - Subchapter K**
 - 1 Master
 - 1 Mate
 - 1 Senior Deckhand
 - 3 Deckhands
 - 3 Cabin Attendants

- **Manning if Constructed to IMO-HSC**
 - 1 Master - Unlimited Tonnage
 - 1 Mate - Unlimited Tonnage
 - 1 Chief Engineer
 - 1 QMED (Qualified Member Engineer Department)
 - 3 Able Bodied Seamen
 - 1 Ordinary Seaman
 - 3 Cabin Attendants - All must have Merchant Mariner Documents issued by US Coast Guard

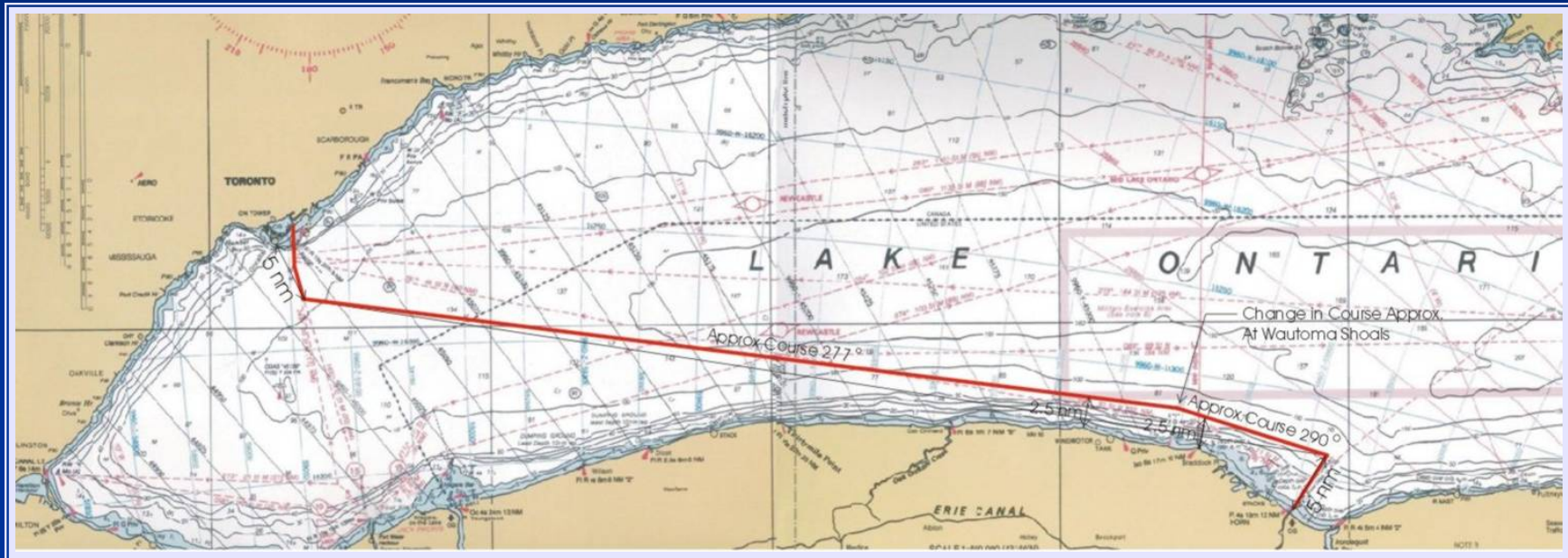


Canadian American Transportation Systems

- Lake Ontario
- Rochester to Toronto
- 88 nautical miles
- 2.5 hour crossing
- 86.6 meter car/passenger ferry
- 774 passengers
- 238 cars
- Speed 42 knots
- Built by Austal Australia
- First new boarder crossing since 9/11
- Bahamian Flagged
- IMO-HSC 2000
- Service Commenced June 17,2004



Lake Ontario



- Rochester, New York to Toronto, Ontario
- ESE - WNW (097° - 277°)
- 84.2 nautical miles

Spirit of Ontario



Vessel Selection

The most important factor to creating a successful Ferry Service is the selection of the correct vessel for the intended route.

Reasons Project Failed

- Vessel was built in Australia
- Project Management Team did not fully understand USCG Regulations
- Inexperience Senior Management Team
- Overestimated demand for trucks and cargo
- Spirit of Ontario was very expensive to Crew and Operate - 1,750 gallons/hour
- Unlimited Tonnage Vessel
- Requires Pilotage - \$4,000 per day
- Vessel only operated for 89 days

What would HMS do differently??

- Construct smaller vessel that matches the current passenger and car demand.
- Build in the US, US Flagged, US Crew so Pilotage would not be required. Save \$1,000,000 annually.
- Reduce crewing costs by building to different regulatory standards
- Reduce operational costs by building smaller more fuel efficient vessel

Rochester Ferry Co. (cont.)

Vessel Comparison

<u>Spirit of Ontario</u>		<u>60m</u>
Passengers	774	400
Cars	238	54
Length	284'	198'
Beam	78'	58'
HP	44,000	12,000
Speed	42	35
Flag	Bahamas	US
Tonnage	UNL	<100 GRT

Rochester Ferry Co. (cont.)

Vessel Comparison – Round Trip Direct Operating Cost - Annual Basis

Spirit of Ontario

Fuel

USG Per Hour	1,750
Running Hours	5
Sub Total	<u>8,750</u>
Price Per USG (all inclusive)	<u>\$ 2.00</u>
Total Fuel	<u>\$ 17,500</u>

S&W

	Annual	Hourly	Day Rate
Captain 1	\$ 100,000		\$ 500
Chief Eng. 1	\$ 90,000		\$ 373
Chief Mate 1	\$ 80,000		\$ 332
2nd Mate 1	\$ 65,000		\$ 270
A/E 1	\$ 65,000		\$ 270
Purser 1	\$ 45,000		\$ 187
AB 2	\$ 45,000		\$ 373
QMED 1	\$ 45,000		\$ 187
O/S 3		\$ 15	\$ 360
Cabin 10		\$ 10	\$ 800
	<u>22</u>		<u>\$ 3,652</u>
Benefits	30%		<u>\$ 1,096</u>
Total S&W			<u>\$ 4,747</u>
Sub Total			<u>\$ 22,247</u>

Round trips

Total

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Homblower Marine Services

60m

Fuel

USG Per Hour	470
Running Hours	6
Sub Total	<u>2,820</u>
Price Per USG (all inclusive)	<u>\$ 2.00</u>
Total Fuel	<u>\$ 5,640</u>

S&W

	Annual	Hourly	Day Rate
Captain 1	\$ 65,000		\$ 270
Mate 1			\$ 180
Steward 1		\$ 14	\$ 112
Sr Dkhd 1		\$ 12	\$ 96
Dkhd 2		\$ 10	\$ 80
Cabin 2		\$ 10	\$ 80
		<u>8</u>	<u>\$ 818</u>
Benefits	30%		<u>\$ 245</u>
Total S&W			<u>\$ 1,063</u>
Total			<u>\$ 6,703</u>

Round trips

Total

\$ 3,143,718

WestPac Express

- High speed ferry service for Austal
- IMO Type Rating
- 970 passengers
- 236 vehicles
- First US Flag HSC Car/Passenger Ferry
- Speed 40 Knots
- Homeport - Naha, Japan
- Transport US Marines



HSV Applications

- Finding New Roles For Established Technology
- Taking HSV Sea-Frames To The “High Sea”
- Military Applications For High Speed Freight, Surveillance and Littoral Combat

HIGH SPEED VESSEL WESTPAC EXPRESS



High Speed RO-PAX
Military Sealift Command Preposition Fleet

III MEF's Concept of Operations

- Rapid deployment of Marine Corp personnel and equipment in the Far East
 - Alternative to airlifts
 - Save training days
 - Cost Savings
 - Improve relations with host community
 - Locate a ship that could meet the needs

These needs “invented” a new commercial opportunity for high speed vessels.

The Commercial Advantage

Commercial Owned-Commercial Operated

- Conversion of a existing vessels
- High speed and high payload
- Not constrained within the military system
- Flexibility to experiment with different formulas
- Custom design and application

The Ship

- 101 Meter
- Roll on Roll Off
- All Aluminum
- 40,000 Horsepower
- Top Speed 37 Knots
- Integrated Bridge Systems
- KaMeWa Jet Drives



The Matrix...When It Started

Midwest Management Company
Representing Australian Owners
On A Panamanian Flagged Vessel
Classed By A German Classing Society
Operating Under IMO High Speed Code
While Home Ported In Japan With Our Office In New Albany
Servicing Southern Asia
Chartered By The U.S. Navy
Assigned To The U.S. Marines
With A Predominately Dutch Crew

The Matrix...Today

Midwest Management Company
Representing Australian Owners

On A American Flagged Vessel

Classed By A German Classing Society
Operating Under IMO High Speed Code

Also Carrying Certificate Of Inspection

While Being a One Off HSC Hybrid Under Coast Guard Regulations

While Home Ported In Japan With Our Office In New Albany

Servicing Southern Asia

Chartered By The U.S. Navy

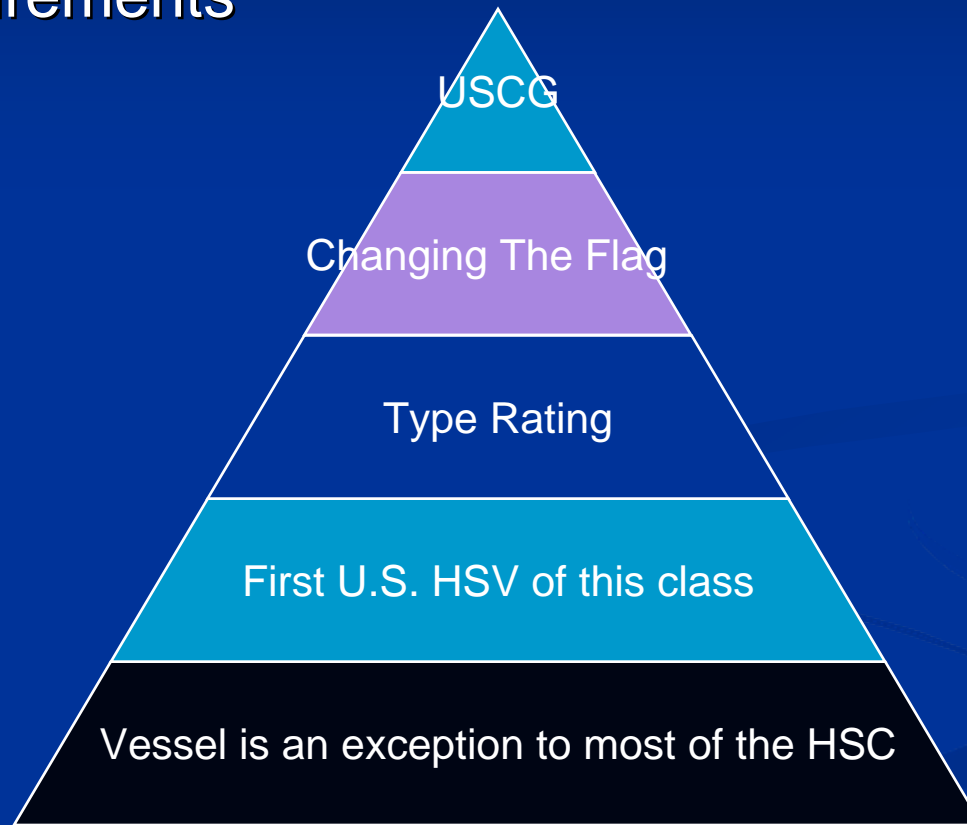
Assigned To The U.S. Marines

With 100% U.S. Merchant Marine Crew

Meeting The Coast Guards Needs

Introducing “Hybrid” Vessels

USCG Requirements



Complex Communication Chain

- Who responsible for what?
- Which group pays for what?
- Deployment schedules
- Security
- Cargo guidance
- Mitigating Emergencies

The answer is...

The Joint Operating Agreement

- A requirement from the MSO in Japan before the re-flagging could occur.
- Recognizes the shared responsibilities between the organizations.
- Conjoins the parties in a mutual understanding of the vessel operating parameters.
- Clarifies for all parties the Masters ultimate authority and responsibility to make decisions for the ship.

Our Passengers



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The Cargo



Westpac Express



WestPac Express Prepares for Deployment



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Some Key Benefits To III MEF

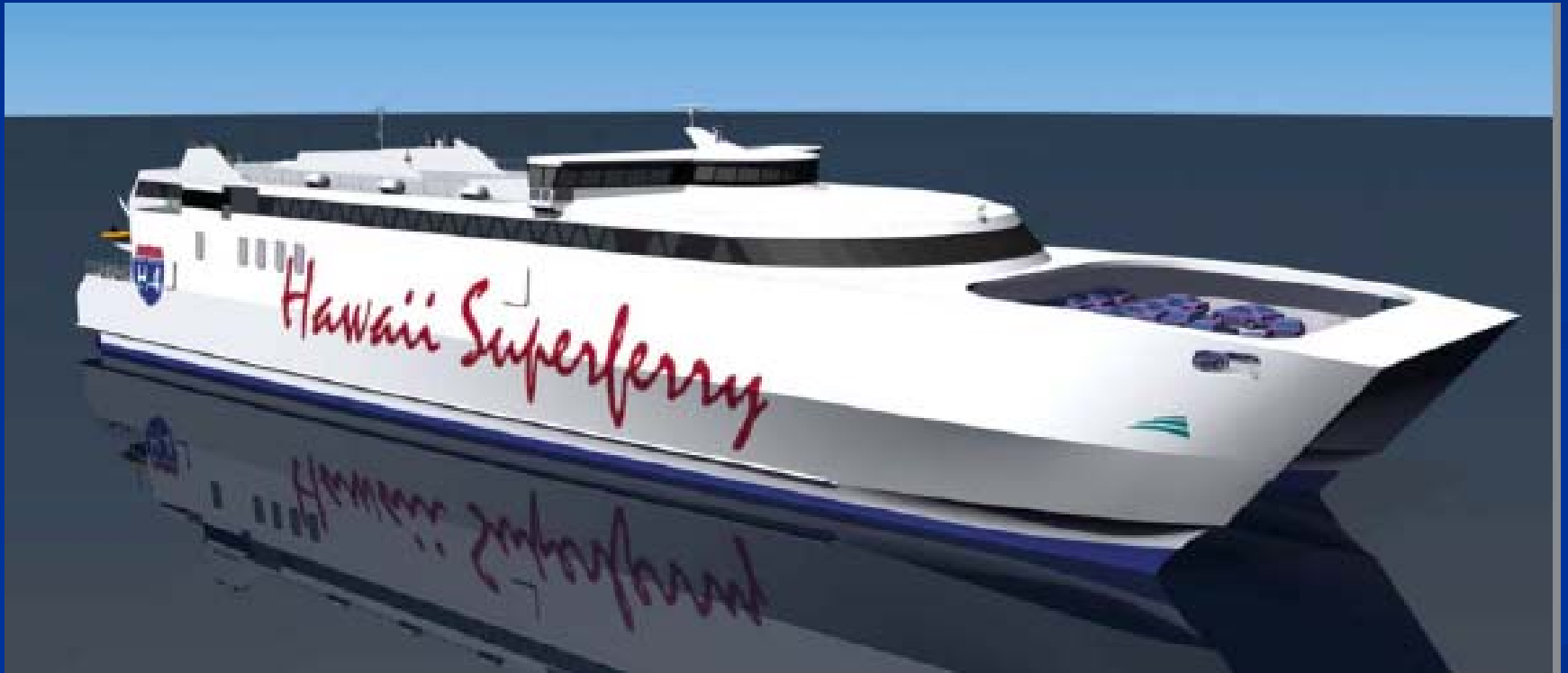
- Proven cost savings of approximately \$11,000,000 in the first operating season
- Reduced traffic on congested streets
- Reduced week long heavy airlifts
- Moves Marines in regiment strength, 970 marines and all of their rolling stock

WestPac 5-Year Anniversary

- 310,000 Miles
- 77,000 Military Personnel
- 69,000 Tons of Equipment
- 99.7% Technical Reliability
- Cobra Gold
- Humanitarian Aid



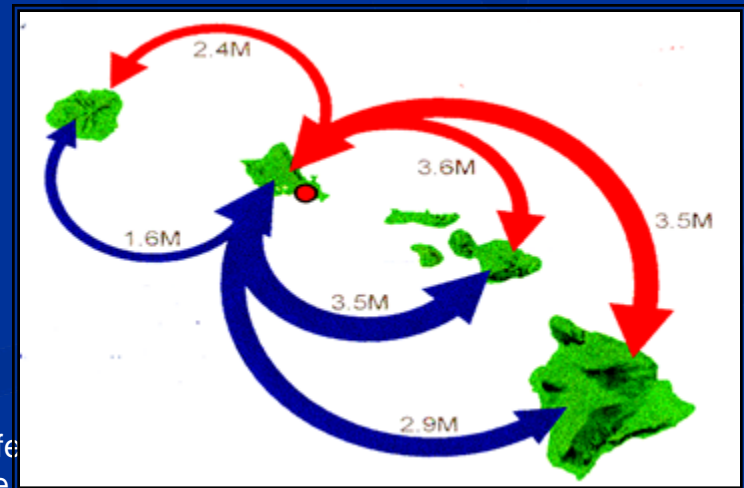
Hawaii Superferry



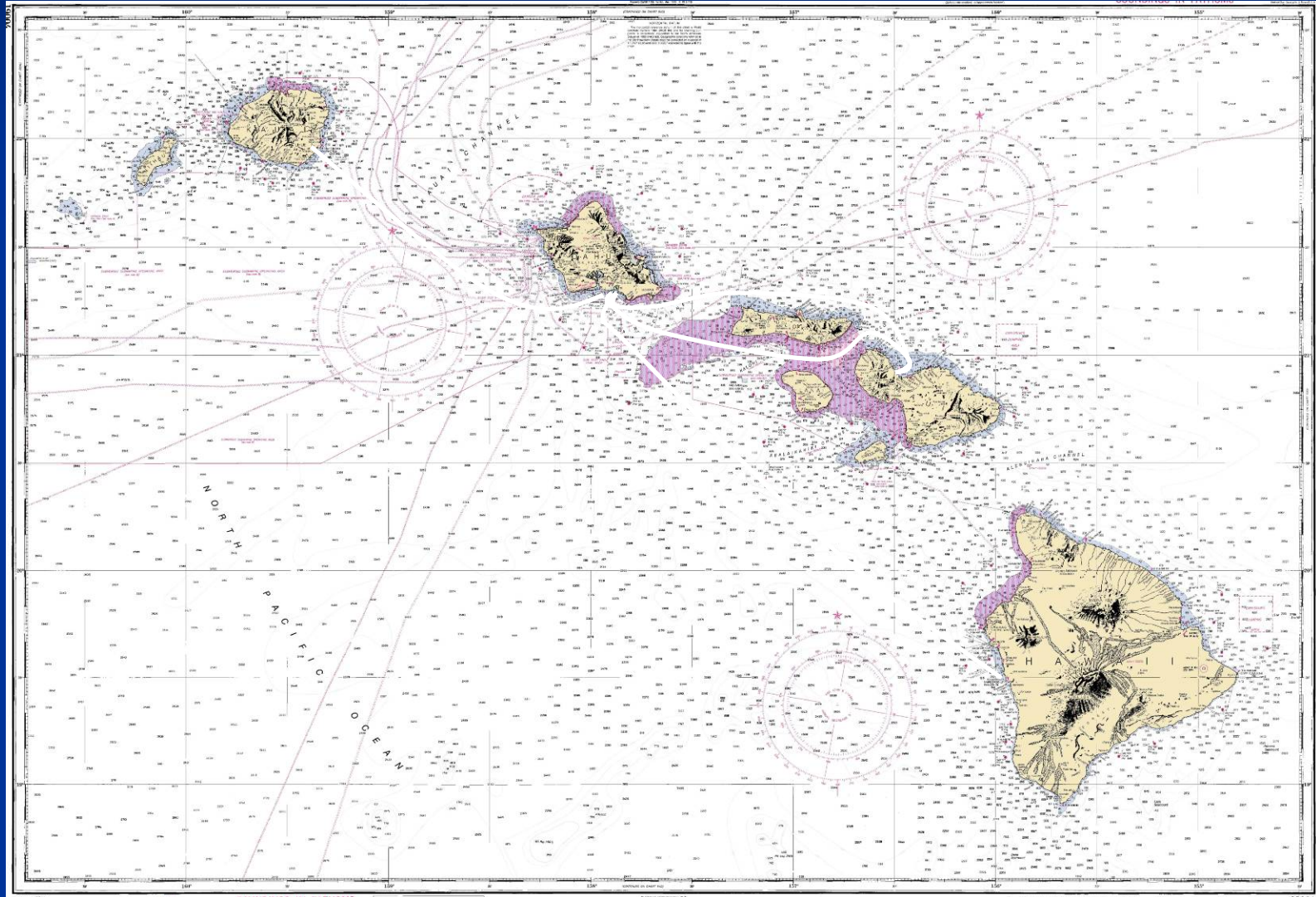
Hawaii Superferry



- Austal USA Built in Mobile
- 107 Meter
- 900 Passengers and 280 Automobiles
- 35 knot service speed



Routes



HMS Role

- HMS began long-term management contract in late 2004
- Provide construction supervision and owner's representative in shipyard
- Produce manuals and all compliance documents
- Deliver vessels to Hawaii
- Execute all drills, evolutions and trials to satisfy Port State requirements
- Overall operational responsibility including maintenance, crew management, interface with general management
- Director of Marine Operations on-site beginning March 2006

Public Private Partnership

- Construction overseen by MSO Mobile
- Approved Type Rating Program by USCG Headquarters
- Handed project over to MSO Honolulu upon arrival of vessel
- MSO Honolulu approved all IMO HSC Manuals
- MSO Honolulu responsible for oversight of drills, and Type Rating Endorsements for officers
- Port Security

Marine Regulatory Working Group

- Need to Improve Communications
- Groups involved in weekly call
 - Sector Mobile
 - Sector Honolulu
 - USCG Headquarters
 - Austal USA
 - Germanisher Lloyd
 - Hawaii Superferry
 - Hornblower Marine Services

Marine Regulatory Working Group



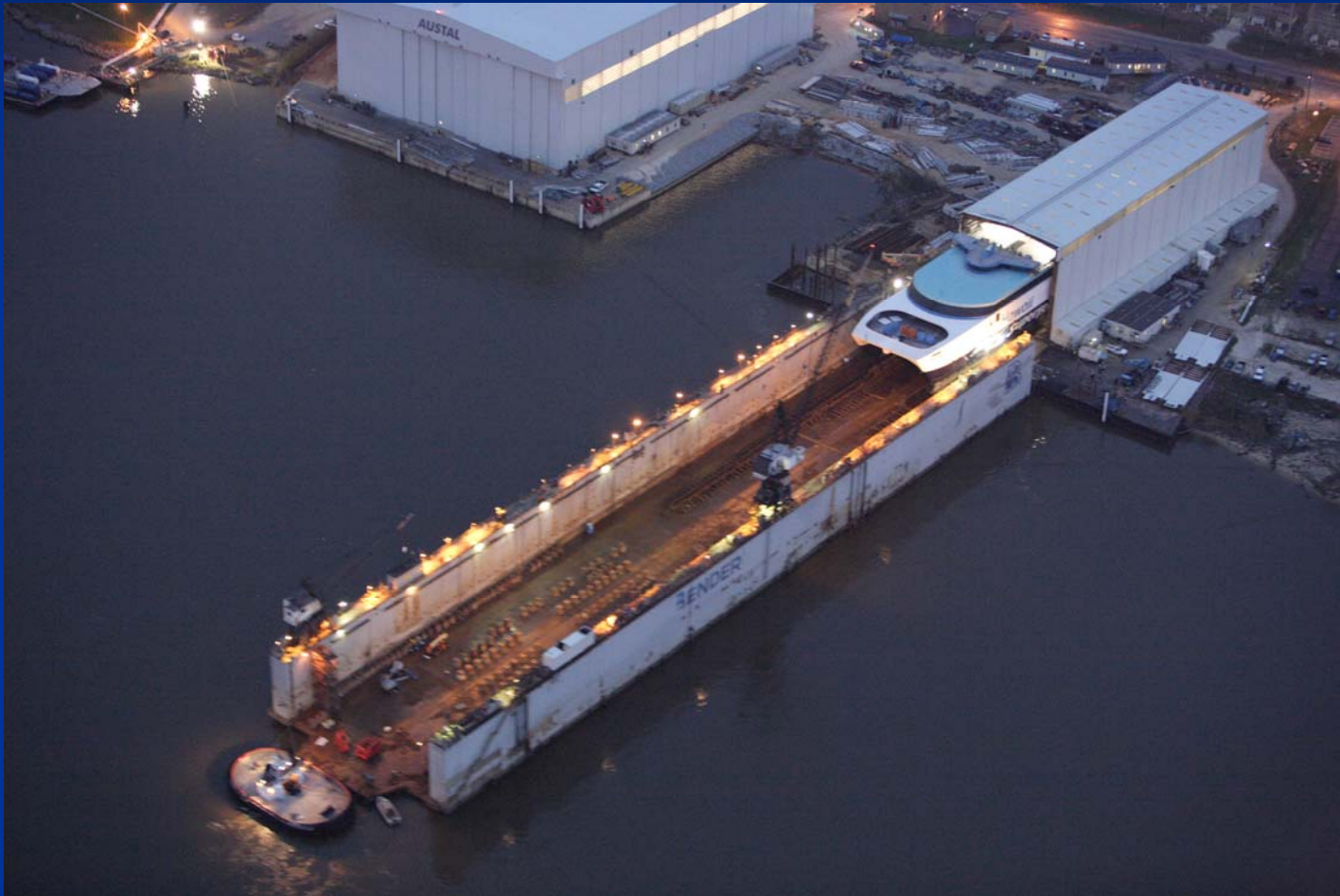
WORKING DRAFT

HSF Regulatory Compliance

ISSUES / TOPICS

ITEM	REGULATORY BODY	TOPIC	CITE	STRATEGY	NOTE
1	USCG	Passenger Vessels	46 CFR Sub H	Equivalence	Using HSC, see MOC Policy Ltr No. 1-00
2	USCG	Manning	46 CFR Sub B	As required for tonnage and route	Includes STCW requirements
3	USCG	Pilotage	46 CFR 10 & 15	As required	
4	USCG	Training - Type Rating	HSC Code NMC Policy Letter 0601	Gain TRCs (CG-899 Endorsement to License)	Use HMS Type-rating program
5	USCG	Security	33 CFR 103, 104 & 105 46 CFR	Develop vessel and facility plans	As required for passenger vessels over 150 PAX
6	USCG	AIS	33 CFR 26		
7	USCG	Misc.	46 CFR Sub A		
8	USCG	Marine Sanitation	33 CFR 159 46 CFR 115 46 CFR 121	Comply with physical requirements and logging requirements	
9	USCG	Pollution and Waste Management	33 CFR 155 33 CFR 151 46 CFR 115	Comply with physical requirements and logging requirements Develop pollution response and waste management plans	
10	USCG	Load Line	46 CFR Sub E – part 42.03	Load Line by GL	
11	IMO	Vessel Construction and Operations	High Speed Craft (HSC) Code	Comply with HSC code in its entirety to achieve Subchapter H equivalence	Per NVIC 6-99 Purely domestic operations do not require: Permit to Operate High-Speed Craft or High-Speed Craft Safety Certificate. Instead COI is notated

HSF - Austal Hull 615 Launch



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HSF - Austal Hull 615 Launch



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HSF - Austal Hull 615 Launch



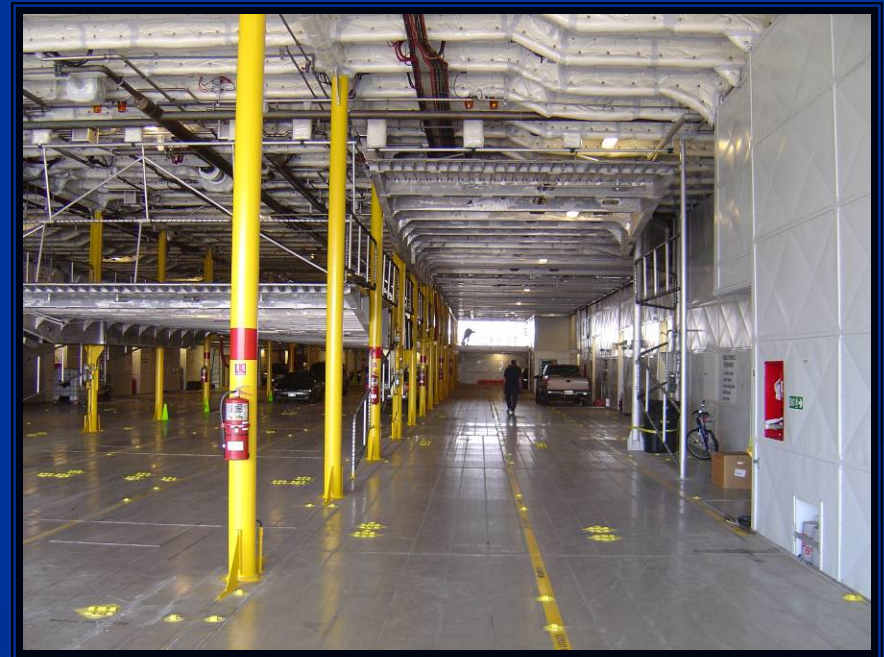
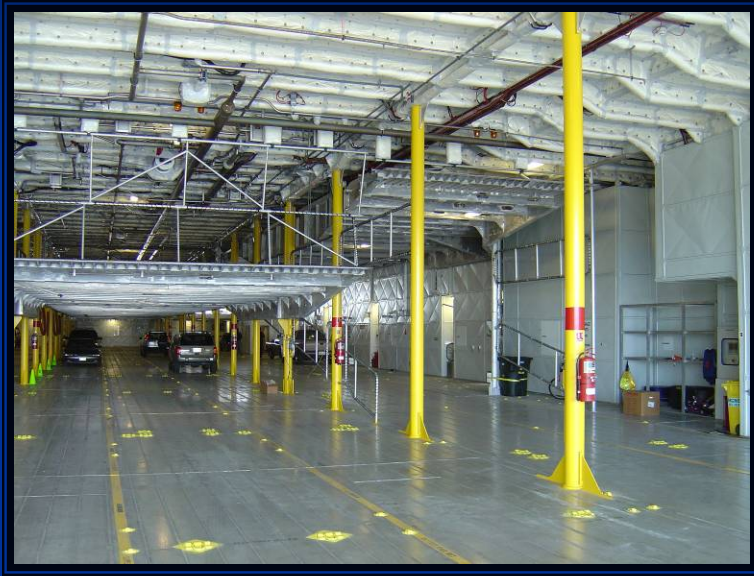
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Alakai Particulars



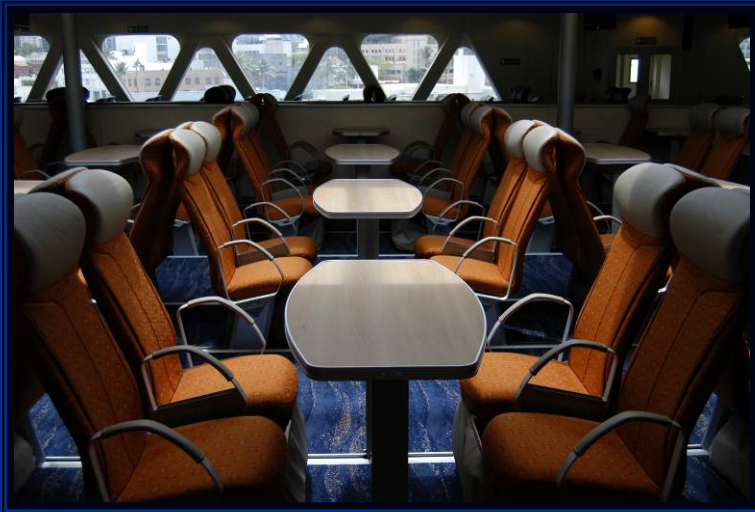
Vessel Name	Alakai
Builder's No.	615
Port of Registry	Honolulu, HI
Registration No. (IMO)	1182234
Signal Letters	WWD
Maximum Displacement	2,437 tons (2,211 tonnes)
Draft @ LCF at Max. Displacement	11.96 ft (3.645 m)
Length Overall	349.4 ft (106.5 m)
Length Waterline	303.0 ft (92.36 m)
Length Between Draft Marks	298.9 ft (91.1 m)
Length Rule	302.5 ft (92.2 m)
Beam Moulded	78.08 ft (23.8 m)
Depth Moulded	30.8 ft (9.412 m)
Passengers	866
Maximum Vehicles	282 cars
Maximum Oversized Coaches/Trucks & Cars	1,122 lane ft (342 lane m) and 65 cars
Crew	37 (including 14 mariners)
Service Speed (400 ton payload @ 90% MCR)	37.3 knots
Fuel Capacity	157,491 usg (596,170 liters)
Gross Tonnage	8,958 tons (8,127 tonnes)
Net Tonnage	2,687 tons (2,438 tonnes)
Payload (including fuel)	881.7 tons (800 tonnes)
Possible Overload to the Loadline	900 tonnes

Alakai Car Deck



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Alakai Interior



Alakai (*Ocean Path*)



Port Security



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Port Security



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The End



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