

International **Tug & OSV**

INCORPORATING SALVAGE NEWS

November/December 2012



Economic Operation

North American Focus

Mike Mallin on environmental salvage and *Costa Concordia*

In this climate, 'learn to do more with less'

Last year, the opinion of many of those in the industry was that the recession's hold would begin to loosen. Such views proved over-optimistic, but in these troubled times, companies are finding new ways to develop, relying on hidden strengths and taking the cautious approach towards success, as Rebecca Ferrier finds out.

The stormy recession is still to be weathered, with each company adopting its own path to stay on track. There is conflicting advice about diversification, sticking to the known format or finding an entirely new one, each company's approach unique. With the International WorkBoat Show once again upon us, attention is firmly on North America and how it measures up to the rest of the world.

The region is coping "with great resilience," according to Rodger Banister, director, Marketing, Edoc Systems Group Ltd, based in British Columbia, Canada. He told *IT&O*: "In lean times companies learn to do more with less. That just happens to work well for a company like ours because our software allows companies to save money, increase tug utilisation and become more efficient."

Over-stretching in these times can have serious financial implications, and Banister stated that the best way to keep a business running on course was by "doing the essentials and staying true to your purpose as a company."

"One of the sole reasons we exist is to help customers become more efficient and to save on resources. If we continue to help them do that, they're going to be in great shape when we see an economic turnaround."

Robert Socha, executive vice president, Sales and Marketing, Bollinger Shipyards, Inc, told *IT&O* how he thinks North America is shaping up. "The Southern [part] of the region appears to be coping better than other areas. Unemployment is lower, and activity is strong in the region that is oil & gas driven."

For Bollinger Shipyards, based in Louisiana, its tactic for avoiding the on-going recession troubles is the company's diversification in its support of the industry. That sentiment of branching out, but in measured and thoroughly-planned steps, is echoed by many companies throughout the region.

Joe Bekker, president, Thrustmaster Texas, spoke to *IT&O*. He said: "All markets have been affected by this recession, but the greater impact seems to be on those operators who feel the crunch of restrictive government regulations and permitting issues."

International WorkBoat Show

Morial Convention Center, New Orleans
5th-7th December 2012

- Analytic Systems, booth 3655
- Bollinger Shipyards, booth 1827
- Corvus Energy, booth 3663
- CT Marine, booth 1531
- Edoc Systems, booth 1127
- Thrustmaster Texas, booth 1335



Part of the solution for those companies looking for the latest challenge, is to move abroad. "Thrustmaster's business has largely shifted to international markets, and we have continued steadily, hiring and filling positions at our Houston, Texas facility," said Bekker.

"Drop-in azimuthing Z-drives, retractable thrusters, and our patented portable dynamic positioning systems with self-contained 2,000hp and 3,000hp hydraulic thrusters are all seeing a strong demand from both domestic and overseas operators."

Compared with other areas, he said, Brazil

"Many of our customers have more international operations and have had to streamline operations, scale back expansion plans or redefine their core value proposition."

**Grant Brown, director, Marketing,
Corvus Energy**

is booming, and "Korea is still building many drillships while shipyards in Japan and China are struggling for survival. The North American region is not doing any better than Europe, Japan or China." The solution, Bekker said, is to, "find your niche markets and/or niche products. Respond quickly to changes in the industry without compromising quality or delivery."

As to fixing the problems closer to home, Grant Brown, director, Marketing, Corvus Energy, based in British Columbia, Canada, told *IT&O* that the solution is "really now a

▲ **Ocean Wind and Ocean Wave** coming down the erection lane at Bollinger Marine fabricators.

matter of rebuilding in the local economy as it is generally believed that the lowest point was reached last year. Canada was never hit as hard as many of the world's other regions, so local employment rates are still very good in comparison to other areas."

He added: "Investments in the shipbuilding infrastructure and training are sure to pay dividends for years to come. That said, many of our customers have more international operations and have had to streamline operations, scale back expansion plans or redefine their core value proposition. This actually creates opportunity for a company like Corvus Energy and our integration partners like Aspin Kemp and Associates. Our hybrid propulsion systems provide a compelling payback in three to five years and provide on-going savings for decades. Ancillary benefits such as reduced machinery wear and maintenance, pollution and noise just make the Corvus Energy value proposition that much more attractive."

As for Corvus' direction, Brown said the company was "simply continuing on with our business plan with a few minor adjustments" and that "2009 was arguably the toughest time in 40 years to start a new company; especially one based on new technology in the brand new field of hybrid heavy equipment. I truly believe it is a testament to our quality and the core of our business model that we are able to succeed and prosper during these toughest of times."

Keeping ahead of the game in new developments and ideas has been one of the ways to rival competitors, said Bill Walker, vice president, Sales and Marketing, Analytic Systems, also in British Columbia. "For any North American company the best way to stay afloat is innovation, not only in products but in marketing," Walker told *IT&O*. "We expect to launch a number of new products that will be targeted at the tug/OSV market through our commercial marine resellers at WorkBoat this year and into 2013. This year will be the first of our IBC chargers and a new 3,000W inverter."

For Analytic Systems, the International WorkBoat Show is one place to find a new angle on the market, as its aim includes "renewing relationships with past customers

and looking for their input on our new product lines. They are our best source of ideas."

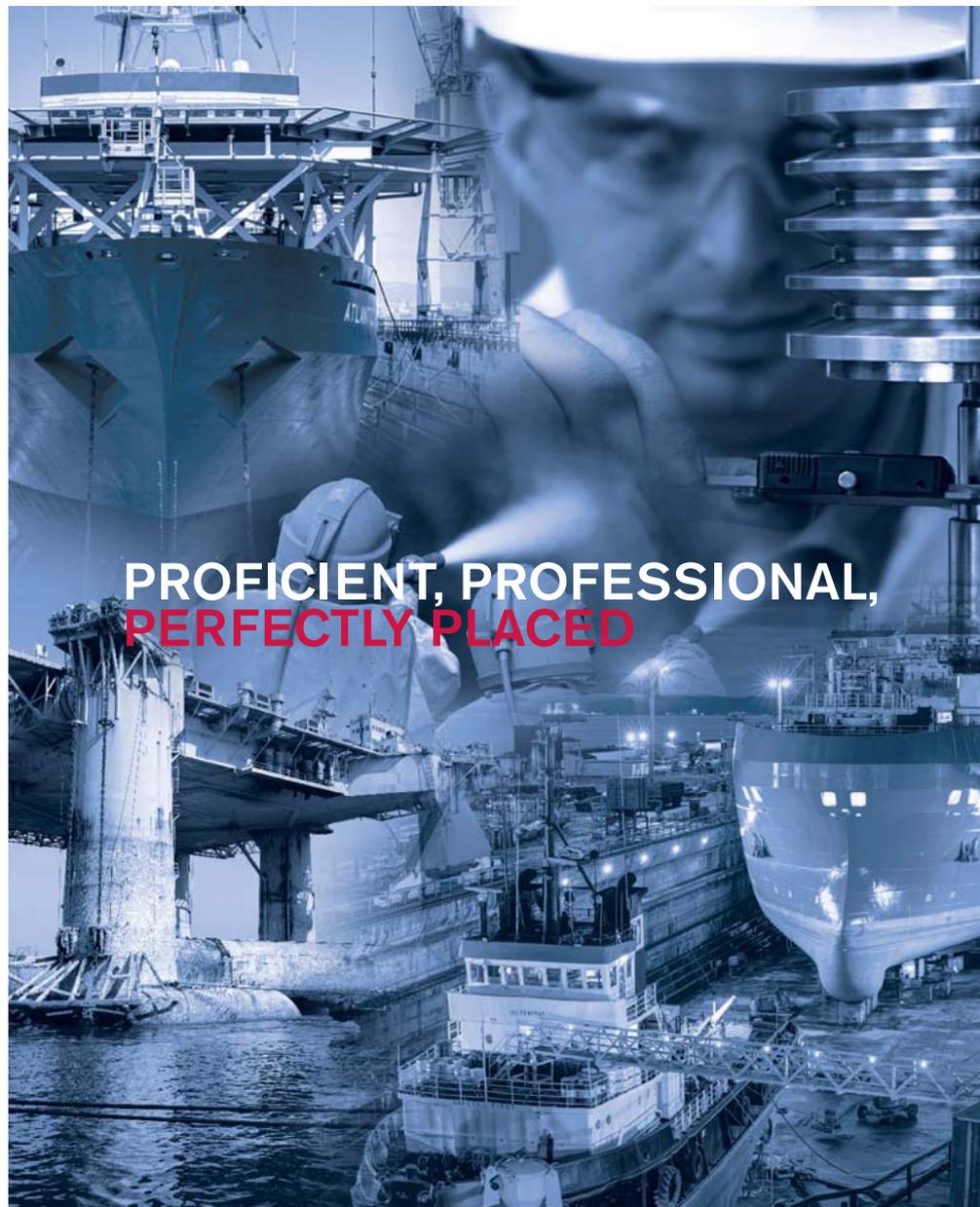
Smaller companies have found survival in staying true to their roots. Located in Main, CT Marine has its own niche, as the company's Corning Townsend told *IT&O*: "For the many designers, the recession means fewer inquiries for newbuilding. For the operator, it is a time to complete preventive maintenance on existing equipment. Fortunately for CT Marine, we have had sufficient work primarily due to the small size of the company."

The company is introducing a new line of 20.77m Z-drive 1,200bhp towboats specialised for assembly of large fleets of barges in the Mississippi, said Townsend. "It has improved manoeuvrability, visibility, crew safety and overall efficiency compared to older designs

which are doing the same operation."

When it comes to industry trends, Townsend said: "The majority of inquiries last year to CT Marine relate to the use of LNG as a marine fuel on the Mississippi and ICW. The economic potential for LNG on the river is great, as are the challenges to the designer, operator and LNG supplier. I am quite sure, however, we will see towboats operating on LNG in the next 18 months. Once the infrastructure is established, it may well become the norm."

Regardless of a company's approach, be it a dedication to a tried-and-tested formula or streamlining the latest technology, greener solutions are getting more attention from the market as a way to cut costs and meet those stringent regulations which add an extra challenge in this unsettled economic climate.



**PROFICIENT, PROFESSIONAL,
PERFECTLY PLACED**

Fuel cell supplied to *Viking Lady*

Following the success of the installation and demonstration of the fuel cell power pack onboard, *Viking Lady* recently entered into a third project phase in which energy storage capability in the form of Corvus' AT6500 lithium-polymer battery pack is being integrated in the power system.

The lithium-polymer battery is comprised of 6.5kWh modules, has a capacity of 455kWh, and is capable of delivering up to 4MWh bursts over a short period of time. The project, known as FellowSHIP, is exploring hybrid systems for a greener future.

Brent Perry, CEO, Corvus Energy, said: "Having our product win its place on the *Viking Lady* is a tremendous validation of Corvus Energy's approach to working with key marine industry partners such as Wärtsilä for the next generation of drive and storage systems."

He added: "Not only can our product perform on the same level as fuel-driven propulsion systems, with this installation Corvus will prove it can successfully add to the bottom line of the commercial marine industry. We are pleased that our battery solution is being installed on this groundbreaking fuel cell and battery hybrid ship."

Bjørn Roger Haugen, power drive specialist, Ship Power Technology, Wärtsilä, said: "With her innovative fuel cell technology and extremely advanced systems integration, *Viking Lady* required a reliable, robust and extremely energy-dense energy storage solution. Corvus Energy's battery packs and battery management system allows us to optimise the benefits of energy consumption in a true hybrid energy system."



GIBDOCK

GIBDOCK
MAIN WHARF ROAD
THE DOCKYARD
GIBRALTAR

TELEPHONE
+350 200 59400
FAX
+350 200 44404

EMAIL
MAIL@GIBDOCK.COM
WEB
WWW.GIBDOCK.COM