

U.S. LARGE VESSEL & SHIP POPULATIONS

Polson Enterprises

P.O. Box 1381
Stillwater OK 74076

Phone: (800) 443-6543
Fax: 405-377-9700
Email: polson@virtualpet.com

Feb 2001

We pulled this data from a report we produced last summer for a navigational aid manufacturer. The report provides the number of large vessels by type, identifies issues surrounding certain vessel types, current shipbuilding trends, information on vessel age, owners & operators and identifies major data sources.

We published it here as an example of our research capabilities. We have full copies of all the articles and references listed in the various sections and can provide current detailed information to support other similar projects.

Table of Contents

Definitions and Acronyms

List of relevant URLs (also supplied as an html file)

Group 1 Boat, ship and vessel counts

Fleet statistics

Vessels by Name & Owner

Recreational Boats

Yachts

 Marinas

 Inland Waterways

 Insurers & Lenders

Riverboats

Workboats

U.S. Coast Guard Vessels

Patrol Boats

Fast Ferries

General Coverage of Passenger Vessels & Cruise Ships

Prison Ships

Group 2 Shipbuilding, managing and operating

Ship Operators

Shipbuilding

Group 3 Issues & other topics

U.S. Coast Guard Status / Future

Related Market Studies

Parting Thought

Definitions and Acronyms

Definitions

Deepwater Project: a Coast Guard project involving new ship designs for the future.

Flag of Convenience: most vessels coming from or going to other countries, even those U.S. owned are foreign flagged. This is referred to as a Flag of Convenience because the ship is usually flagged in a country with lower fees and requirements.

Jones Act: vessels picking up cargo or passengers in the U.S. and depositing the same goods or passengers in the U.S. (internal transit of goods and/or passengers) must be U.S. flagged.

Littoral: coastal regions

Megayachts: 80 to 180 foot yachts

Stealth Ship: reduced visual, radar, thermal, magnetic and other signatures making it more difficult to locate the vessel.

Acronyms:

FOC Flag of Convenience

ISIS Integrated Surveillance Intelligent Systems (a Border Control unit)

MARAD Maritime Administration

OSV Off Shore Vessel

RoRo Roll On Roll Off cargo vessels for cars and palletized cargo on rollers

SAR Search And Rescue

SOLAS Safety Of Life At Sea

TEA-21 Transportation Equity Act for 21st Century (a ferry subsidy program)

Relevant URLs

Vessel Traffic & Navigation Links

MARAD (U.S Maritime Administration)
<http://www.marad.dot.gov/>

Additional U.S. Coast Guard Links

U.S. Coast Guard
<http://www.uscg.mil>

Details of Each U.S. Coast Guard ship class and the names/numbers of the ships in it.
<http://www.hazegray.org/worldnav/usa/guard.htm>

Military Links

Janes (A major provider of military & commercial vessel information)
<http://www.janes.com/index.shtml>

World Navies Today (Nearly complete list of world wide military ships)
<http://www.hazegray.org/worldnav/>

Naval-Technology.Com worldwide list of patrol boats under development
<http://www.naval-technology.com/projects/index.html#Corvettes and Patrol Craft>

Fishing Vessel Links

FAO (United Nations Food & Agriculture) Fisheries Dept.
<http://www.fao.org/fi/default.asp>

ISOFISH
Internationaal Southern Oceans Longline Fisheries Information Clearing House
Info on illegal fishing in the area and attempt to find them
<http://www.isofish.org.au/>

ITF (International Transport Worker's Federation)
FOC (Flag of Convenience) fishing vessel statistics 1997
<http://www.itf.org.uk/SECTIONS/fisheries/troubledwaters/annex97.htm>

Magazine Links

Fast Ferry International (organization and periodical)

<http://www.fastferry.co.uk/>

Work Boat magazine

<http://www.workboat.com/>

Miscellaneous Links

Fairplay

Source for several vessel databases (owner info, equipment, etc)

<http://www.fairplay.co.uk/>

Kobe Ferry

A major dealer in used ferries

<http://kobeferry.shecom.co.jp/>

Marine Organizations & Associations (World Wide)

<http://www.merchantnavy.com/organisations/index.html>

MOAA (Marina Operators Association of America)

<http://www.moaa.com/>

Lloyds Register

<http://www.lr.org>

Aboard site with links to many large yacht manufacturers

<http://www.aboard.co.uk/>

FOC (Flag of Convenience) Fishing Vessel stats 1997

<http://www.itf.org.uk/SECTIONS/fisheries/troubledwaters/annex97.htm>

Waterfront News

South Florida's Nautical Newspaper on the Web

<http://www.waterfront-news.com/>

GoBoating.Org

Marine Industries Association of South Florida

<http://www.goboating.org/>

Final Report on Economics of the District's Waterways
in Palm Beach County FL Oct. 1999

<http://www.aicw.org/studies.htm>

Fleet Statistics

Studies and reports below provide a current picture of the ship industry. Several are for different time periods, U.S. only or world fleets, passenger vessels or cargo vessels, but some basic facts can be obtained from them.

The Jones Act states vessels picking up cargo and/or passengers in the U.S. and depositing them in the U.S. (internal transit of goods and/or passengers) must be U.S. flagged. Most vessels coming from or going to other countries, even those owned by U.S. companies are foreign flagged. This is referred to as a FOC (Flag of Convenience). Several foreign countries charge lower fees to flag the vessels and have lower requirements. It has been an ongoing issue in the industry for several years.

U.S., vessels over 5 net tons (usually about 30-32 feet) must be flagged. Pleasure craft can be registered with the state the craft considers home base or with the U.S. Coast Guard. Commercial vessels used for fishing or coastal water trade must be registered with the Coast Guard.

The Handbook and Vessel Guide 2000 provides the following basic statistics for North American flagged vessels.

121 Casino boats (offshore, riverboat or dockside)
158 Cruise ships and boats
496 Ferries and water taxis

1,434 of the above vessels are U.S. flagged. 72 are Canadian flagged.

Stats for major merchant fleets of the world are on page 52 of the MarAd report.

References:

1. Industry profile, Jones Act/Domestic shipping, Defense. The Transportation Institute web site.
2. What are FOCs? (Flags of Convenience). ITF (International Transport Worker's Federation) web site.
3. North American Passenger Vessel Fleet. Passenger Vessel Handbook & Guide. 2000.
4. New MarAd report shows diverse fleet. Marine Log. Feb. 2000. *Full copy of report follows.*
5. MarAd '99. U.S. Dept. of Transportation. May 2000. *Annual report of U.S. flagged maritime craft.*
6. World Fleet Statistics. Description of Lloyds Register Publication.
7. World Fleet Rises to an all time high. Lloyds Register press release. 24 Apr. 1997.
8. Panama increases lead as merchant fleet reaches record tonnage. Lloyds Register press release. 18 Jun. 1998.
9. World ship Orderbook stabilises. Lloyds Register press release. 7 Apr. 1999.
10. World merchant fleet reaches record tonnage. Lloyds Register press release. 24 Jun. 1999.
11. Announcement to U.S. maritime data users. U.S. Army Corps of Engineers. 1 Oct. 1998. (U.S. Waterborne Transportation Statistics program moved from Bureau of Census to the USACE.)
12. Vessel characteristics. Waterborne transportation lines of the United States. Annual report description. USACE.
13. Waterborne transportation lines of the United States. Calendar Year 1998. USACE..
14. Fishery fleet—Time series of fishery fleet. FAO fisheries Dept. United Nations. Software description. FOA web site.
15. FOC fishing vessel statistics 1997. ITF (International Transport Worker's Federation) web site.

Vessels by Name & Owner

These reports provide data on specific ships by size, type and owner.

References:

1. U.S. Commercial Shipping Owners. U.S. Marine Directory. Marine Log. Aug. 1999. *Merchant Ships*.
2. North American Fleet. Passenger Vessel Handbook & Guide. 2000. *Passenger Vessels*.
3. Navigational and Vessel Inspection Circulars and the Merchant Vessels of the United States on CD-ROM. Dec. 1996. Department of Defense. NTIS description.

Recreational Boats

Large yachts represent a very small portion of the recreational boating industry. These industry reports indicate the entire business is doing well. The boating industry tends to follow expectations of the future economy. Times are good, look good in the near future, so boating is good. Sales of larger craft (30 ft. and up) have been very strong in recent years.

6,800 larger inboard cruisers were sold in the U.S. in 1999 (up 18% over 1998) for an average of \$291,000.

Large sport fishing boats might be a potential application for thermal imaging technology. They often depart in foggy conditions.

References:

1. Boat industry has boom year. Soundings Trade Only. Feb. 2000.
2. The Boating Business. Boating Industry. Feb. 2000.
3. Recreational Boats Industry Profile. (Canada) Strategis web site.

Yachts

Megayacht sales have been very hot in recent years. So many have been built, it is difficult to find a slip for them. Many new marinas or marina expansions are catering to them. Boat yards building these large vessels economically impact their community. Megayachts are an economic boon to every place they visit. Several communities are building new marinas and repair yards to attract them.

The term megayacht is used for yachts between 80 and 180 feet.

Many of the articles reference the same data. The stats below are drawn from a collage of sources.

The number of megayachts worldwide has more than doubled over the last decade.

Today, there are about 5,600 of them.
2,000 of those spend a significant amount of time in the U.S.
900 of them stop in South Florida during the year.

Currently 327 are under construction worldwide.
Of them 96 are being built in Italy and 78 in the U.S.
The average length of those being built in the U.S. is 116 ft.

We included two references to China's budding boat market. Currently the area is very underdeveloped.

The Yacht Charter business is also very hot. A few firms own a huge number of these craft. First Choice Holidays Plc. (UK) has about 1050 yachts and The Moorings has 770.

Fort Lauderdale International Boat Show, the major megayacht showcase, displayed 160 units in Oct. of 1997.

Recent U.S. and worldwide megayacht build rates were:

	U.S.	Worldwide
1995	68	149
1996	82	211
1997	86	279
1998	unknown	unknown
1999	78	327

CONTINUED

Current industry issues include:

1. Insufficient marina slips
2. A change in the U.S. Tax law no longer forces non-U.S. flagged yachts coming into the country for a boat show to pay a duty. In the past, they paid a duty to enter the country, then had to request part of it as a refund if the boat did not sell. Now, they only pay the duty if the boat is sold.
3. The EPA may soon pass more stringent emission regulations forcing U.S. yacht builders to use more costly less powerful engines making them less competitive overseas. Yachts not built in the U.S. that do not meet these new regulations may not be able to be sold here.
4. Many builders of smaller yachts are now trying to build megayachts. Some do not have the experience or quality of the long term megayacht builders and will fail.
5. Interest rates. A small change in interest rates has major impact on large loans.
6. Recent fuel cost increases.

Several reports immediately following this topic (Marinas, Inland Waterways, Insurers & Lenders) were included to obtain a more complete picture of the yacht industry.

References:

1. Megayachts dropping big bucks into the South Florida economy. Soundings Trade Only. Jan 1999.
2. Recent growth, current activity and economic impacts of megayachts in South Florida 1997-1998. Economic impact study by Thomas J. Murray & Associates. Oct. 1998. Cover page through page 7.
3. Soaring, but how high. International Boating Industry. Dec. 1999.
4. Demand for megayachts still going strong. Boating Industry. May 1999.
5. More countries enter yacht building. Boating Industry. Feb. 1999.
6. Yachting on the Yangtze? Soundings Trade Only. Jul. 1999.
7. 12 State Marine Safety Administrations established. (China) Xinhua News Agency. 28 Dec. 1999. (Reference only.)
8. Yachts now are a 'working class' issue. Boating Industry. Feb. 1999.
9. Bigger boats bring bigger profits—for now. Boating Industry International. Mar. 2000.
10. Up & Comers; Battle at sea, yacht rentals used to be a staid business. Entrepreneurs. 3 May. 1999.
11. Yacht charter competition heats up. Boating Industry International. Apr. 2000.
12. Megayachting is in a class of its own. Seattle Post-Intelligencer. 4 May 2000.
13. Caribbean yacht traffic can only grow and grow. Soundings Trade Only. Dec. 1999.
14. Sunseeker International invests in megayacht market. Boating Industry. Sep. 1999.
15. Dark clouds, silver lining (Italy boating industry report). International Boating Industry. Feb. 2000.
16. Megayachts: A rich craving at \$10 million plus, opulence is as standard as the anchor. USA Today. 30 Apr. 1998.
17. Shipyards head full sail into yacht building boon. The Business Journal of Portland. 9 Jul. 1999.
18. Sails of yachts sailing on a sea of prosperity; Builders have waiting lists, and lengths are growing past 150 feet. The Milwaukee Journal Sentinel. 1 Aug. 1999.
19. Megayachts forge ahead. Motor Boating & Sailing. 1 Mar. 2000.
20. Change in U.S. tax law benefits global megayacht industry. Boating Industry. Feb. 2000.

21. U.S. engine emission standard tips scale in favor of international yacht builders. Boating Industry. Feb. 2000.
22. Views mixed on interest rates. Boating Industry. Nov. 1999.
23. Fort Lauderdale International Boat Show. Web site.
24. Final report on the economic analysis of the district's waterways in Palm Beach Country. Florida Inland Navigation District. Oct. 1999. (Title page only, URL provided).
25. The Islander. (Cover page of online newsletter for yachts in the Balearics, URL provided).
26. Economic Impact of the Gulf Intercoastal Waterway System in Texas Hillary Garrett and Dock Burke, (College Station: Texas A&M University, The Texas Seagrant Program, 1989).

Marinas

A mid 1990s report indicated the U.S. has more than 8,000 marinas with about 400,000 slips, plus there are mooring and anchorages for another 33,000 boats. About 200 dry slip or land based boat facilities store up to 150,000 boats. Approximately 1,100 boat yards provide wet slips, more than 100 dockminiums berth boats.

Many articles discuss the current shortage of slips, especially for large megayachts. Several groups are cautiously racing to fill the void. It costs about \$50,000 to build a slip capable of handling today's megayachts and they want to make sure the demand is present before they commit. Communities, especially in Southern Florida are encouraging building additional slips hoping to reap the wealth of economic benefits of having these large craft in their area.

Pier 66 Marina, one of South Florida's premiere marinas was charging \$300 a day for its longest slips in June of 1999.

One family mentioned a marina wanted \$300,000 for a slip to park their 76 footer, so they built a \$3 million dollar house in an exclusive harbor neighborhood to park it instead.

It has become easier to have your yacht hauled across the ocean in recent years, resulting in numerous European yachts in the Caribbean. Most of these vessels arrive and depart from Southern Florida. Reports indicate about 7,000 yachts cruise the Caribbean in the summer. Several U.S. yachts hitch a ride to Europe as well.

References:

1. Marina Survey 99. Boating Industry. Soaring, but how high. International Boating Industry. Nov. 1999.
2. Rules of thumb not science but they're tested by time. Soundings Trade Only. Jun. 2000.
3. Supply and demand a factor at marinas. Boating Industry. Jan. 1999.
4. Big demand for megayachts still going strong: but there's a worldwide shortage of marina slips large enough to accommodate the big boats. Boating Industry. 1 May 1999.
5. Lowest vacancy rates at biggest marinas. Boating Industry. Mar. 1999.
6. Florida's longest yachts find shortage of docks. The Miami Herald. 21 Jun. 1999.
7. Is demand driving marina development. Boating Industry. Aug. 1999. *Excellent international coverage.*
8. South Florida sacrificing marine-industry primacy, officials say. The Miami Herald. 30 Sep. 1999.
9. Berth sales limiting availability? Boating Industry International. Apr. 2000.
10. Competition stiffens in Asian yacht repair business. Boating Industry International. Jun. 2000.
11. Grenada marine sector to grow. Boating Industry. Jun. 2000. (Article is part of prior article).
12. SIC 4493. Marinas. Encyclopedia of American Industries. Second edition.
13. Yacht booming worldwide location, labor pool, taxes help to make Portsmouth a viable site for yacht yard. Virginian-Pilot & Ledger-Star. 17 Jul. 1999.
14. Increases in megayacht sales prompt development of larger repair and refit yards. Boating Industry. Oct. 1999.

Inland Waterways

Many large yachts “hang out” in Florida’s Intercoastal Waterway and other major inland waterways. During storms, even more seek shelter there.

Increased yacht sales, cleaner water and better boating facilities are listed among the reasons for increased inland waterway traffic. The many things to see and do make it a very pleasant experience.

Major U.S. Waterways include:

- Atlantic Intracoastal Waterway
- Columbia River
- State of New York Canal System
 - Erie Canal
- Gulf Intracoastal Waterway
- Illinois River
- Mississippi River (Lower)
- Mississippi River (Upper)
- Missouri River
- Ohio River
- Snake River
- St. Lawrence Seaway
- Tennessee River
- Tennessee-Tombigbee Waterway

References:

1. 4 Reasons why traffic’s up on U.S. inland waterways. Soundings Trade Only. May 1999.
2. Cruising Florida’s amazing Intercoastal. Fun&Sun web site.

Riverboats

The gaming boat industry is stable, few vessels are expected to be added.

One group is concerned moving to permanently docked vessels will remove them from U.S. Coast Guard regulations resulting in possible safety problems. Gaming is also conducted on several cruise ships.

The Passenger Vessel & Handbook 2000 indicated there are 121 North American flagged casino boats (offshore, riverboats and dockside).

The current riverboat gaming boat count is:

Iowa 9 vessels

Illinois 12 vessels

Mississippi 31 dockside vessels

Louisiana 13 vessels

Missouri 16 permanently docked units (10 of them in manmade basins)

Indiana 9 vessels

References:

1. Crime staying out of riverboats wake. Floating casinos offer controlled, secure sitting, state agency's study says. Peoria Journal Star. 12 Jun. 1994.
2. Watertight security ensures profitability of cruise ship casinos. Access Control & Security Systems Integration. 30 Mar. 1998.
3. A short history of the U.S. riverboat gaming industry/U.S. Cabotage Policy—The Jones Act. The Transportation Institute web site.
4. Riverboat gaming: A market in flux. Maritime Reporter & Engineering News. Mar. 1996.
5. Riverboat gaming expansion looks like a bad bet. Marine Log. Jan 1998.
6. Keep Indiana's Gaming boats cruising! Great-Lakes.Net list post. 11 Jun 1999. *Concerns cruising the boats or permanently anchoring them.*
7. Lower Mississippi navigational safety of gambling vessels. Congressional Study. Committee serial No. 102-79A. 12 Nov. 1993. (Abstract only).

Workboats

There are about 5,200 tugs and towboats in the U.S. About 3,000 of them are operational. Many encounter fog and night operating conditions. They share crowded navigation channels with small and large craft. Several are present during search and rescue operations. A large number are fleet owned. About 900 of 5,200 units are over 3,000 horsepower, but their average age is over 20 years.

The Work Boat Online reference discusses using tugs to move large yachts up the New River on the Intercoastal Waterway to repair yards. The river was recently dredged to increase its depth and all but the largest yachts clear. Many yachts are now equipped with thrusters and can navigate the turns, so the need for tugs in this location is slowing. However, many yacht captains still feel more comfortable turning the navigational responsibilities over to a tug captain.

References:

1. The offshore waiting game continues. Work Boat. June 2000.
2. Florida tugs provide assists for super yachts. Work Boat Online. June 2000.

U.S. Coast Guard Vessels

Their workhorse has been the 82 footer (37 units). These aging vessels are being replaced by 87 footers. (19 in service). They are used for:

1. Search and rescue missions
2. Drug interdiction
3. Intercepting illegal immigrants
4. Protecting marine life (illegal fishing and poaching)
5. General law enforcement

The Coast Guard has many other vessels that might be potential candidates. A list of them is provided on the Hazelgray web site.

References:

1. 82-foot Patrol Boat (WPD) Point Class. U.S. Coast Guard web site.
2. 87-foot Patrol Boat (WPD) Marine Protector Class. U.S. Coast Guard web site.
3. U.S. Coast Guard Patrol Boats. U.S. Coast Guard web site.
4. World Navies Today: U.S. Coast Guard. Hazelgray web site.

Patrol Boats

Similar to U.S. Coast Guard units, these craft are in the “thick of things.” In addition to the Coast Guard applications they are designed to work in battle situations, especially in shallow water and littoral (coastal) conditions. The U.S. Navy has several units, as do most foreign fleets.

Several patrol boats are currently in the development stages, trying to take advantage of recent technical developments. A listing is provided in the “New ship projects” reference.

References:

1. Coastal combatants. Hazegray web site.
2. New ship projects. Destroyers & Frigates/Corvettes & Patrol Vessels. Naval-Technology web site.
3. A call for arms. U.S. shipyards take aim at patrol boat market in Latin America. Marine Log. April 1999.
4. Offshore patrolling new responsibilities demand specialized equipment. International Defense Review. 1 Jan. 1995.
5. Thetis Class. Naval-Technology web site. *Danish vessels mentioned in article above.*
6. Sea Ark marine patrol boats. Sea Ark web site.

Fast Ferries

Fast Ferries are an incredibly hot market. The worldwide fast ferry fleet grew from 903 units in 1990 to 1,218 in 1997. In addition to hauling passengers and cars, several are moving cargo.

In March of 1999 there were about 1250 fast ferries in use worldwide. The U.S. has about 168 ferry systems in 35 states.

The U.S. Navy is studying them for use in rapid troop deployment operations.

Ferries keep getting bigger and faster, most now running near 40 mph. The amount of time they can shave off frequently traveled routes is very important. Thermal imaging systems were used by fast ferries as early as 1994.

Many are built in Australian shipyards. The U.S. Navy is studying them for rapidly delivering troops. Some coastal areas are considering them in evacuations.

The International Fast Ferry Organization in the U.K. is a focal point for the industry. They have an excellent publication and support an online e-group called ferrybusiness.

The FastShip project, a large transatlantic roll on - roll off cargo vessel, continues to be in the news.

Current issues are:

1. TEA-21 (Transportation Equity Act for 21st Century) a U.S. program subsidizing fast ferries and facilities is increasing the level of interest in high-speed ferry routes..
2. Wash (wake) problems (erosion and interfere with small craft). Some low wake units are beginning to appear.
3. Concern for collision accidents in confined waters.
4. Foggy conditions in several harbors, like San Francisco Bay
5. In mid 1999, the EU (European Union) ceased allowing duty free sales on ferries. This led to a sizeable reduction in income from the sales and a reduction in passengers as well.
6. The faster the vessels go, the rougher the ride. More passengers are having discomfort. Several innovations are addressing this area.

References:

1. Catalina Express introduces new high speed, high tech boats. Marine Log. Jul. 1994. *An early adopter of FLIR.*
2. Marine readies guidelines for fast ferry operations. Business Daily. 3 Jan. 1997.
3. Appetite for fast ferries is still growing. Marine Log. Jan. 1998.
4. New designs energize ferry market. Marine Log. Oct. 1998.
5. On the crest of a wave. Business Telegraph. 19 Jan. 1999.
6. They're big, they're fast ... and now you can have them built in the U.S.A. Marine Log. Jan. 1999.
7. Boosting size and speed. The Motor Ship. Feb. 1999.
8. Litton receives order from Pequot for thermal imager and bridge electronics. Litton press release. 17 Feb. 1999. *Unit is for a Catalina Cruises catamaran passenger ferry.*
9. 'Fast ferries' gain popularity in tourist and commuter markets. Pacific Business News. 12 Mar. 1999.
10. Fast ferry development speeds ahead. Marine Log. Mar. 1999.
11. Larger, faster ferries forecast. The Press. 5 May 1999.

12. Fast ferries help passengers skim over the slow parts. USA Today. 11 Jun. 1999.
13. Speedy delivery: High speed craft operators are finding opportunities in the cargo market. Marine Log. Jul. 1999.
14. The Wizard of Oz. Marine Log. Oct. 1999. *Australian fast ferry builders.*
15. Too early to make a final judgment on the usefulness of fast ferries. Lloyds List. 7 Oct. 1999.
16. Fast ferries sought for evacuation but vessel to speed people and cars to safety aren't always available yet in the U.S. The Virginia-Pilot and the Ledger-Star. 14 Nov. 1999.
17. The shipping news: Fast ferries. Fortune. 6 Dec. 1999.
18. New low-wake, high speed craft unveiled by Halter Marine. Marine Log.
19. The Age of Ferries. Ferries & Fast Craft, a special supplement. Marine Log. Jan. 2000.
20. Developments in the U.S. Ferry Market. Passenger Vessel & Handbook Guide. 2000.
21. Nimble ferries leave others in their wake. International Herald Tribune. 9 May 2000.

TEA Articles (*Special U.S. funding program*)

1. Getting a piece of the \$290 million ferry pie. Marine Log. Oct. 1998.
2. TEA-21: The cure for commuter congestion. Marine Log. Jun. 1999. *Nice chart on ferry growth rates.*
3. Implementation Information for ferry boat discretionary program. U.S. Dept. of Transportation. (First page of the document from the 12 Apr. 2000 Federal Register)

Risks/Hazards Concerns Articles

1. Fast Ferry collision report. National Transportation Safety Board. 20 Aug. 1997.
2. Upping the knots and reining in the risks. Marine Log. Jul. 1998.
3. High Speed Craft: Managing Risks. Marine Log. Jul. 1998.
4. Looking at the risks of a fast ferry system in the San Francisco Bay area. Proceedings of the Marine Safety Council. Third Quarter 1999.
5. Managing the risks associated with small passenger vessel operations in the Port of Boston. Proceedings of the Marine Safety Council. Third Quarter 1999. *Article is part of article above.*
6. Austral markets its ride control system. The Motor Ship. Dec. 1999. *An attempt to ease passenger discomfort as vessels go faster.*
7. Life after duty free. The Motor Ship. Jan. 2000. *Impact of ending duty free purchasing in the EU.*
8. Slow down calls for fast ferries renewed. The Evening Post. 20 Jan. 2000.
9. Management of High-Speed Commercial Vessel Traffic. U.S. Coast Guard request for public comments. Federal Register. 12 Apr. 2000.

Miscellaneous Related Articles

1. Ferries '99 Conference & Trade Show. Marine Log.
2. Fast Ferry International. Periodical, online chat group (ferrybusiness) and news center for the industry. Fast Ferry International web site.

FastShip

1. FastShip dream moves closer to reality. Marine Log. Jul. 1999.
2. Gearboxes are on order for high-speed container service. The Journal of Commerce Online. 8 Oct. 1999.
3. FastShip places gearbox order. The Motor Ship. Nov. 1999.
4. FastShip, Cherbourg Port Authority sign contract. American Maritime Officer. Jan. 2000.

General Coverage of Passenger Vessels & Cruise Ships

Several new and refurbished cruise ships continue to be added to the fleet. There is a trend toward even larger craft.

A list of the 50 plus vessels currently on order is in the Marine Log reference below.

Current Issues include:

1. Increased safety requirements from the ever increasing vessel sizes
2. Poor handling of recent high profile onboard fires
3. Possible new regulations on whale cruising limiting the number of vessels in the area and requiring a whale lookout, a permit requiring knowledge of whale behavior.
4. Crew language problems and staffing shortages
5. Environmental issues including dumping and use of TBT (reduces barnacle problems)
6. Rising fuel costs.

References:

1. Passenger vessel growth continues. *Work Boat*. Jun. 2000.
2. When travel trade dreams meet maritime realities. *Marine Log*. Feb 2000. *Cruise ships*.
3. The sky's the limit: Cruise lines remain bullish and continue to add new ships. *Passenger Vessel Handbook & Guide*. 2000.

Floating Prisons

In the 1980's the state of New York turned a floating barge into a prison. Another unit followed. A few years later they were closed. Recently England has opened a floating prison. They are currently investigating using an old aircraft carrier.

References:

1. New York seeks floating solution. Christian Science Monitor. 5 Apr. 1989. Abstract only.
2. A \$1.8 million bid wins 2 empty prison barges. New York Times. 29 Jul. 1994. Abstract only.
3. Straw visits controversial prison ship. BBC. 1997.
4. Floating jail finds a place in local hearts. Sydney Morning Herald. 22 Apr. 1999.
5. Aircraft carrier could be floating jail as prisons fill up. The Times. 16 Jan. 2000.

Ship Operators

The ship industry is not vertically integrated. Many passenger vessels are built by a shipbuilder, purchased by an owner and operated by an operating company. Used vessels go to a retrofitter for repairs, updates and resale.

Most larger vessels are “built to order” and many are sold to fleets or to a government.

Retrofitters and resellers could be excellent contacts.

Operators are the final step in the chain. Several operate large fleets. A few pages of the U.S. Commercial Shipping Operators section of the U.S. Marine Directory are reproduced in the references. The publication listed contains a complete list.

References:

1. Managing success: Your operation’s success could depend on choosing the right vessel manager. Passenger Vessel Handbook & Guide. 2000.
2. U.S. Commercial Shipping Operators. U.S. Marine Directory. Marine Log. Aug. 1999.

Shipbuilding

Lloyds reports “high value” ships appear to be in a healthy position for the future.

Awarded worldwide contracts include about 145 commercial vessels and 210 government vessels.

Concerns include:

1. The large number of old vessels making the average age of the 88,000 world vessels about 19 years at the end of 2000.

References:

1. Newbuilding: The rollercoaster takes a dip. Marine Log. Jun. 1999.
2. Cheap ships and market dips. Marine Log. Sep. 1999.
3. New orders increase dramatically, - but Orderbook fails to rise. Lloyds Register press release. 28 Oct. 1999.
4. Optimistic future for the supply side of world shipbuilding. Lloyds Register. 26 Apr. 2000.
5. Shipyard contracts awarded. Marine Log. May 2000. *Extensive list.*

U.S. Coast Guard Status / Future

Numerous references refer to old craft and equipment still being pressed into service, insufficient funding, heavier workloads on fewer staff and poor readiness. The U.S. Coast Guard is certainly not over-funded. If you can demonstrate need for more thermal imaging units, sales could still be hard to generate.

On the other hand, a government task force endorsed replacing the entire Coast Guard fleet with electronically linked high-tech cutters, small boats, fixed wing aircraft, helicopters and satellites. The effort is called the Deepwater Project.

References:

1. Coast Guard faces obstacles: Service takes on heavier workload as its work force shrinks. Fort Worth Star Telegram. 28 Jun. 1998.
2. Readiness problems plague Coast Guard too. USA Today. 16 May 2000.
3. The White Hull Navy. Armed Forces Journal. Apr. 1999. Deepwater Project.
4. System Performance Specification (SPS) for the Integrated Deepwater System. U.S. Coast Guard. 23 Nov. 1999.

Related Market Studies

Janes provides several vessel market studies. They are listed below.

References:

1. High-speed marine transportation. Janes.
2. Fighting ships. Janes.
3. Patrol craft market. Janes Special Report. Janes.

Parting Thought

The current Dot.Com wealth is probably not going directly into the marine industry. Many of the instant millionaires are younger than typical boat/yacht purchasers. However; many of those who have made large sums investing in the businesses are in the proper age brackets. Much of the money is concentrated in California and Seattle, both are major boating areas with several ferries.

Since we wrote this report, a Dot.Com millionaire purchased Palmer Yachts.