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## Congress passes Clean Boating Act

Boating advocates of all stripes are hailing Tuesday's passage of the Clean Boating Act of 2008, H.R. 5949/S. 2766, in the U.S. Senate and House of Representatives.

The Clean Boating Act of 2008 — a top legislative priority for more than 60 partners in the Boat Blue Coalition — will permanently restore a long-standing exemption for recreational boats from permitting requirements under the Clean Water Act, which are designed for land-based industrial facilities and oceangoing commercial ships.

While the legislation still needs President George W. Bush's signature to become law, everyone from manufacturers to boat owner groups is breathing a collective sigh of relief over what they say is an "historic victory" for recreational boating. And they credit grassroots action and bipartisan support in Congress for this crucial win.

"This is a fabulous victory for common sense and it just goes to show what can be done when the boating public, the marine industry and its representatives in Congress row together in a bipartisan way," said Nancy Michelman, president of the Boat Owners Association of the United States, in a statement.

BoatU.S. government affairs director Margaret Podlich noted the tens of thousands of letters and e-mails generated by boaters and anglers over the last year. She also praised the "boatload of legislators" who did much of the heavy lifting to get this legislation passed.

A complete list of all legislators involved will soon be available at [www.BoatUS.com/gov](http://www.BoatUS.com/gov).

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National Marine Manufacturers Association officials also were grateful for the congressional support.

“The Senate and House have acted swiftly, and we appreciate the bipartisan nature of their action to protect the recreational marine industry, the American boating public and our natural resources,” said Scott Gudes, NMMA vice president of government relations, in a statement. “This is an historic victory for our 1,700 members and for boaters across the nation who just love being out on the water unencumbered by unnecessary government red tape and significant legal jeopardy.

“Congress has acted decisively to keep boating fun, safe and simple,” Gudes added.

Congressional action was spawned by a U.S. district court decision in September 2006 under which an estimated 17 million recreational boats would have fallen under Clean Water Act permit requirements effective Sept. 30, 2008. The permit would have dictated maintenance and operation procedures and potentially subjected boaters to citizen lawsuits as well as a penalty system designed for industrial polluters.

At the same time it passed the Clean Boating Act, Congress also passed H.R. 6556/S. 3278, legislation to provide a moratorium on permitting for commercial vessel discharges until the U.S. Environmental Protection Agency completes a review of certain incidental discharges.

NMMA says this legislation was the product of extensive negotiations between Sens. Lisa Murkowski, R-Alaska; Barbara Boxer, D-Calif.; Bill Nelson, D-Fla.; and Patty Murray, D-Wash., as well as Reps. James Oberstar, D-Minn.; Gene Taylor, D-Miss. and others.

For more information about the permit proposed by the U.S. Environmental Protection Agency see the August issue of Soundings Trade Only, which went to press prior to Congress’ passing the Clean Boating Act of 2008.

## **Maritime news finds Web home**

By Kevin Shalvey  
PBN Staff Writer

A new Rhode Island-based Web site, ECaptain.com, is looking to be a one-stop information and networking spot for the maritime industry, says Tory Chew, spokesman for Confident Captain/Ocean Pros, a Newport-based company that this month launched the site.

“What we’re trying to do with the Web site is create a Web-based, all-things-maritime portal,” Chew said. “Now, there’s definitely a void on the Internet for someone to go find everything maritime.”

Launched on June 12, the site draws stories from international media – many are filtered to Confident Captain through RSS feeds – that include newspaper and magazine articles, educational material and blogs. By bringing together as much material as possible, from as many sources as possible, the Web site should appeal to everyone in the “maritime world,” Chew said.

And along with RSS feeds, much of the material is found through Web searches and daily visits to other Web sites. “We do a lot of milling around on the Web,” she said, “and a lot of it is just from being in and around the industry – these things come through our inbox everyday.”

The Web site is set up for visitors to scroll through stories with introductory paragraphs. And it's broken into three sections: Powerboating includes sport fishing, gear and recreational cruising; Sailing includes racing and cruising; Professional Mariner includes fishermen, merchant mariners and yacht crews.

But at the center of the Web site, there's a mission statement, which says that the goal is to be a "comprehensive source of information" by putting together an "easy to use" Web site. And that easy-to-use look and comprehensiveness will hopefully draw advertisers to the Web site, Chew said.

The flagship item so far has been The Charlie Foxtrot Report, a blog that's dedicated to "accidents, mishaps and rescues." Chew declined to offer the hit counts and site statistics last week. "As the site has just been launched, we can say that the numbers have been very impressive thus far, but we will wait to release any figures," she said.

The Web site now is run out of the Confident Captain office with the same staff, but as advertisers start buying space on the site, it could become a self-sufficient subsidiary of the other company, she said. New staffers have not been hired for [ecaptain.com](http://ecaptain.com), but an outside Web designer, Burnard Web Design, based in Massachusetts, was brought in to design the site. In the future, the site will hopefully turn into a professional and recreational networking site, she said. "We'd like to add forums and create a more community aspect to it," she said. "That's definitely something that will be in the not-too-distant future."

The business also hopes to attract more original content by local and national writers, she said. "It's geared toward the 73 million boaters in America," she added.

And Confident Captain is also doing well, Chew reported. Started almost five years ago, it has three full-time staffers and depending on the time of year, a few part-time workers.

Out of the Seaman's Church Institute in Newport, the company offers various classes, which can qualify students for a captain's license or yacht-master certification. It also offers an array of safety courses – including personal survival, fire prevention and CPR – and a general, 40-hour "able seaman" course.

President and founder Kent Dresser – who had worked for Safe/Sea, a Wickford-based sea towing and assistance business – is the primary instructor for those courses.

"We get a couple hundred people who go through the program every year," Chew said. "And they're from all over the world. They may be people traveling through Newport on a mega-yacht; they may be tugboat guys from New York harbor. It's a diverse group."

The busiest seasons so far have been the spring and fall, because people in the maritime industry are too busy during the summer, Chew said. The "Master 100 Gross Ton" license course, the most common, costs about \$1,000, Chew said.

Creating [ECaptain.com](http://ECaptain.com) was the next logical step for the company, which for about six months has been sending weekly e-mail newsletters to its clients, Chew said. That newsletter, The Captains Weekly Dispatch, has been growing in popularity and Dresser was looking for the next step, Chew said.

"That had been very successful and it had generated a lot of buzz," Chew said. "And it's also provided a lot of the inspiration for [ecaptain.com](http://ecaptain.com), the content and the type of stories."

## At Goetz Custom Boats in Bristol, boats for the wealthy are still big business

By TOM MEADE  
Journal Staff Writer



The custom-boat business is booming around the world, says builder Eric Goetz, and it is especially busy at 115 Broad Common Rd. in Bristol, a new home for Goetz Custom Boats.

Last week, the company was working on an 82-foot sailboat that will race on the Mediterranean and a 33-foot power boat that will serve as a tender to a 260-foot motor yacht.

### Goetz

In business since 1975, Goetz Boats ( [www.goetzboats.com](http://www.goetzboats.com)) opened its 43,000-square-foot facility last September, a short distance from its older 22,000-square-foot shop, and has business booked through the second quarter of 2009, says Goetz, founder and chief executive officer.

“Since 2000, 85 percent of my customers have been European,” he says.

One of the company’s recent projects was the building of il Mostro — The Monster — for Puma Ocean Racing, a team of designers, builders, sailors and support crew attempting to win the Volvo Ocean Race around the world. The race is scheduled to start in October off Spain.

Newport sailor Ken Read, skipper of Puma Ocean Racing and in charge of the overall Volvo race effort, selected Goetz to build The Monster, which was designed in Spain.

In a short documentary film about Goetz’s crew building the boat, Read says, “They’re the magicians. They’re unbelievable at what they do ... The amount of attention that has gone into every little detail is staggering, and it’s the detail that wins this race. The race is always won before you get to the starting line.”

Goetz has built nine America’s Cup boats, more than any other builder in modern times, Goetz says. The company’s boats have ranged from a 14-foot, \$75,000 dinghy to racing vessels that cost between \$7 million and \$8 million. The longest boat the company has built is 105 feet.

Goetz is not limited to building boats, however. The company has also built architectural pieces and structural components for other industries. In 1998, Goetz was commissioned by a Japanese firm to build a lightweight ark-shaped structure that was suspended in the lobby of their headquarters for use as a corporate library. Goetz also built architectural elements for the renovation of the PanAm building in New York City, as well as an exterior staircase for a custom-built home in Florida.

The company has 85 employees in Bristol, and supports scores of other jobs at subcontractors around the world. All of the facilities use the same computer design software, so when a component made in New Zealand arrives in the United States, the screws match the screw holes already drilled in Bristol.

Most of the work is still done by skilled craftsmen, or as Read says, “the magicians.” Recently, a line of them were sanding a wooden form for building the 82-foot racing sailboat going to the Mediterranean. They moved like a team of dancers — with respirators and safety glasses.

Soon they will be trained for other jobs, Goetz says, and the sanding will be done by a robot gantry tool, alternately called the Blue Whale and the Blue Pig as the company's engineers work out kinks in the robot's operation.

The device was designed in California and built in Germany specifically for Goetz's applications, with a working area of 75 feet by 25 feet by 12 feet. When it does start functioning, the Blue Whale will allow for direct cutting of large female molds, eliminating the need for building a wooden form.

Goetz says he is optimistic about the future of custom boat-building in the United States and that the weak dollar helps. But even before the U.S. currency began its plunge, Goetz says, the company was doing a brisk business with a very wealthy international clientele. And although rising petroleum prices affect the cost of the materials his company uses, customers are not likely to bristle when prices must rise, he says.

"The customers we have at Goetz Boats are very wealthy and very savvy," Goetz says. "They're the type of people who buy Ferraris, Porsches, Maseratis. They like the technology and the performance.

"So we have to keep pushing the envelope to sell our technology and our performance. Research and development is very important to us."

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## **Curb in credits not halting projects**

By Kevin Shalvey  
PBN Staff Writer

For the International Yacht Restoration School (IYRS) in Newport, it was worth paying a \$229,500 fee up front – even on only a month's notice – to receive a 22-percent tax credit through the R.I. Historic Preservation Investment Tax Credit program for its renovation of a 177-year-old, 28,000-square-foot mill on Thames Street.

The \$10.2 million project is expected to be completed by the end of 2008, a few months ahead of schedule, and will expand the school's space and house commercial marine tenants. It's expected to qualify for tax credits totaling \$2.55 million from the state.

The nearly quarter-million dollar fee has been part of the program for some time. But the budget crisis precipitated some changes. In January, Gov. Donald L. Carcieri proposed cutting the historic tax credit program significantly. Although it trimmed Carcieri's plans, the General Assembly passed sweeping changes to the program on April 12. Those changes required developers that wished to receive credits – lowered from 27.75 percent to 22 percent – to file a qualifying cost estimate and pay a large portion of the processing fee by May 15. In the case of the IYRS, that meant moving up payment from 2009 to a month ago. The program will end in 2012 once the projects already approved for credits are complete.



PBN PHOTO/BRIAN MCDONALD

**IYRS PRESIDENT TERRY NATHAN is happy to have a state tax credit for the renovation of a 177-year-old Newport mill, even though he had to pay a \$229,500 fee up front to get it.**

“We understand that the state is running a budgetary deficit – so we can appreciate why the state wants the money now instead of at the end,” IYRS President Terry Nathan said last week. “Our preference, obviously, would have been to hold onto our cash until the end. But we’re happy to have the state tax credit.”

According to new statistics provided by the state last week to Providence Business News, it seems that most developers agreed with Nathan. Of the 102 projects that had been approved prior to the changes, 82 will go forward with construction, according to the R.I. Historical Preservation and Heritage Commission (RIHPHC), the state office that administers the program.

“Everyone was sort of wondering how many projects would go forward,” RIHPHC Executive Director Edward F. Sanderson said last week. “And the simple answer is that those that dropped out were not a big culling of the projects.”

The numbers are slightly skewed, however, because many of the projects that won’t continue had been inactive for years, Sanderson added. Some of those 20 projects hadn’t filed paperwork with the commission since 2002 and the majority hadn’t been in contact with Sanderson’s office since 2004. Only one had filed any paperwork in 2007.

Under the changed program, RIHPHC estimates that the total cost of the tax credits for Rhode Island taxpayers will be \$62.13 million for the current fiscal year, ending June 31.

And the 82 projects scheduled to be completed between 2008 and 2012 will cost taxpayers less than previously estimated, Sanderson said. For those, the state will credit developers with \$255.34 million. He had estimated in April that the credits would cost the state \$8 million more – \$263 million.

According to a study compiled during 2007 by Maryland-based research group Lipman, Frizzell & Mitchell LLC for the nonprofit Grow Smart Rhode Island, the state had invested \$160.57 million between 2002 and 2006. That pegs the state’s total investment in the program at about \$478.04 million during the 10-year life of the program.

The qualifying construction costs for future projects will top \$1 billion, significantly more than the \$876 million that had been estimated in April, according to RIHPHC. That’s because many developers “sharpened” their estimated qualifying construction cost, Sanderson said.

“Under the old system, if they had estimated their cost at \$10 million, but when they were all done it turned out to be \$15 million, there was no penalty for the inaccuracy of the original estimate,” Sanderson said. “But under the new system, you have to pay a fee to get the credit, so there’s a real incentive to make sure that your estimate is accurate.” Under the new system, tax credits will not be applied to any construction cost that runs over the developer’s estimate.

IYRS’ estimate jumped from \$3 million to \$10.2 million, according to Sanderson’s office. The estimated qualifying cost for developer Urban Smart Growth LLC’s four projects was hiked by more than \$14 million – from \$153.99 million to \$168.57 million.

Peregrine Group LLC revised its estimate of qualifying costs for its Rumford Chemical Works development in East Providence from \$30.7 million to \$35.3 million. But Peregrine Principal Colin Kane said some developers

might have paid the fee as a type of “insurance.” Even though all 82 projects paid, there is no guarantee that they will be completed, Kane said.

With the program’s changes, the fees for projects that will be collected between 2008 and 2012 increased from \$19.7 million to \$30.64 million — \$23 million of which was collected during the current fiscal year. (Developers could pay 2.25 percent by May 15 and the other .75 percent by March 5, 2009.)

For Urban Smart Growth, one of the highest-volume developers drawn to Rhode Island by the creation of the credit, the lesser credit was still worth the up-front fee.

According to state records, Urban Smart Growth paid fees for four projects – The Conant Thread Co. in Central Falls, Hope Artiste Village in Pawtucket, and the former U.S. Rubber and Greystone mills, both in Providence – before the May 15 deadline. For the estimated \$168.57 million in qualifying construction costs, the company paid fees of \$3.79 million, which will earn it state tax credits equal to \$42.14 million upon completion. That fee wasn’t a major problem for Urban Smart Growth, because the company is “stable” with low debt and high cash reserves, said principal Lance Robbins. “But any time you have to reach in your pocket and write a \$4 million check, it doesn’t feel good.”

The projects that were hurt were those projects for which much of the work – but not the completion – happened during 2007, he said. Those projects will now get 22 percent, instead of the 27.75 percent they would have received. “We didn’t get [the higher] credit on that 2007 work, just because we didn’t place it in service by the end of 2007,” he added. “That was the only place where we kind of were blindsided.”

There are projects, too, that were too late in filing for their first approval and weren’t able to get into the program. In Newport, just a few blocks from the IYRS project, the city’s Redevelopment Agency had planned to complete a renovation of the former Newport Armory on Thames Street. It had planned a Faneuil Hall-type development, into a boater-oriented Harbor Center with views looking over Newport Harbor. (READ MORE) “With the change in the law, it’s going to be extremely difficult to do the renovations that we wanted to do,” said Newport Redevelopment Executive Director Bruce Bartlett. “We’re going to have to regroup and figure it out.”

## **Bristol boat builder navigates rough economic waters**

By Kevin Shalvey  
PBN Staff Writer

While some boat builders are struggling to move all but the most expensive watercraft, diversification has helped Bristol Harbor Boats navigate through choppy economic waters.

With Bristol Harbor’s line of smaller recreational boats – a mid-sized series of 24-to-27-foot, center-console boats – the relative newness of the product has pushed sales. But it’s not that way for all manufacturers, said Cory Wood, vice president and co-founder of Bristol Harbor Group, which two and a half years ago started a new boat-builder branch, Bristol Harbor Boats.

“Industry wide, I think the general consensus is that sales are off 30 to 50 percent in some markets,” Wood said. “When everyone was making money in their home equity, it wasn’t as big a deal to buy a \$150,000 boat, but that’s certainly not the case anymore.”

While much of the market for high-end boats and megayachts comes from the super wealthy, who usually aren't hit as hard by the economy, sales of mid-range boats and orders are down across the industry, he said.

Wood said the Bristol company has been working to diversify the spectrum of its designs, which has helped insulate it from the down market. There are five current projects – locally and as far away as Louisiana – being built from Bristol Harbor designs.

“We would likely be affected [by the economy], except for the fact that we've purposely gone after projects to help even out our workload,” Wood said. “So we do yachts, but we also do commercial vessels. Typically, when the yacht guys aren't building, when they're holding onto their money, the commercial guys are building. And it's vice versa.”

Others, including those who've been around longer – like luminary Ted Hood, the America's Cup winner in 1974 and owner of Ted Hood Yachts LLC in Portsmouth – said this current down-cycle isn't as bad as others, but is still cutting into their business.

About 50 years ago, Hood started Hood Sailmakers in Marblehead, Mass., and during 1985 started Ted Hood Yachts in Portsmouth. During the years, he's seen economic down cycles that have affected the boat-building industry worse than the current one, he said. He's designed about 150 boats in his career, and at the moment two boats are being constructed from his designs. “We do three or four designs a year,” he said. “Right now building is slow.”

Megayachts – the oversized ships that can cost far more than \$10 million – are still doing well, but buyers of boats under \$1 million, like Hood's, aren't as readily available now as they were a few years ago, he said. At Portsmouth-based Friendship Yacht Company, where the high-end sailboats are designed in Rhode Island and constructed in New Zealand, only five to six yachts are built each year. They're “exclusive” and carry price tags higher than \$1 million – and demand hasn't slowed, said Sales Manager Jennie Caiazza.

That company – which designed its first boat during 2001 and the first yacht hit the water during 2004 – is on-track with previous years, she said. “It's pretty interesting – we're actually doing well,” she said. “I think our yachts are at the very tiny pinnacle at the top of the pyramid of boats that are continuing to do well.”

The Friendship yachts – the company offers 40- and 53-foot models designed by Ted Fontaine, who learned the trade from Hood – take about 12 months to build. There's a backlog for buyers now – the next available for purchase would start construction late this fall, Caiazza said, making delivery in late 2010.

Along with many buyers cutting costs because their home equity has lessened, Caiazza said she's also heard that gas prices are cutting into powerboat sales. “I've heard that a lot of people are asking about sailboats instead,” she said.

Hood added that “secondhand boats are selling for 15 percent less than they were a year ago.”



**PBN PHOTO/RYAN T. CONATY**  
**BRISTOL HARBOR GROUP Vice President Cory Wood, left, and President Greg Beers pose with a Bristol Harbor 19cc.**

At Bristol Harbor, Wood said management for current construction projects and design work for the group's double-hull oil tanker designs take up about 70 percent of the firm's time, with the rest being portioned between design work on a range of boats that include a 31-foot water taxi and 28-foot fire-rescue boat.

The double-hull design – it adds stability for oil transportation – is something that few other U.S. firms take on, Wood said. “Our firm, along with maybe one or two others, is known for those double-hull designs,” he said. “It's a niche in the market that we recognized five years ago and went after.”

The company is now overseeing construction of a 350-foot, 60,000-barrel double-hull boat. Wood hopes to soon have designs ready for an 80,000-barrel model, for which there is a demand, he said. “But on the small-boat side, it's absolutely something that's affected by the economy,” Wood said. It's a bad market right now to be selling small boats.”

Even in a troubled market, Rhode Island is still one of best places to grow a business like Bristol Harbor, he added.

“That is the reason we located our firm here,” said Wood, who moved to the state with his business partner in 1995. “Rhode Island is the center of boat building.”

## **RIMTA and MY, TURN, Inc. Receive a RI Development Skill Grant**

Wendy Mackie  
July 28, 2008

In partnership with RIMTA, MY TURN, Inc. has secured a Rhode Island Skill Development Initiative Grant from the Workforce Partnership of Greater Rhode Island for Fiscal Year 09. The first of a possible three-year grant, this initiative will focus on workforce development issues specific to the marine trades in Rhode Island. Primary focus points for the initiative include new employee recruitment, awareness of training opportunities for existing and new workforce as well as career exploration for young adults ages 14-24.

The funding will allow for the hire of two Project Coordinators who will manage the grant's activities and ensure its outcomes are met. A multitude of “greenhouse” efforts meant to cultivate an interest and an entry level knowledge base for young people will be made available to all youth through the state's Youth Center system. In addition, the MY TURN - RIMTA partnership will have a presence in three of the state's One-Stop Career Centers- Pawtucket, Newport and West Warwick to address the needs of new and/or incumbent workers.

Founded in 1984, MY TURN's mission is “to assist youth in the development and identification of their skills, goals and self-confidence through career exploration, employment training, and postsecondary planning in collaboration with partnering organizations.” The organization, which operates in fourteen cities and towns in Massachusetts, New Hampshire and Rhode Island, is improving the labor skills and earnings of young adults and helping to create a new source of workers for employers throughout the region. Since its inception, MY TURN has served more than 20,000 youth through its School-to-Work, Workforce Development for Out-of-School Youth, and Connecting to College programs. The award-winning programs of MY TURN help youth navigate existing local resources to find jobs, complete their high-school education and head to college.

Though they work primarily with youth age 14-21, MY TURN has been working with the Marine Trades Associations of Massachusetts and Rhode Island for the past 2 years developing programming to address the

specific workforce needs of the marine trades industry. They are excited to focus their workforce development skills on this industry initiative.

For more information about the Industry Skills Initiative for the Marine Trades, please contact Wendy Mackie at [wmackie@my-turn.org](mailto:wmackie@my-turn.org)

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### **Boat sales continued downward trend in May**

Boat sales were down in May, with aluminum boats faring slightly better than fiberglass boats, according to Statistical Surveys.

The report includes 25 early reporting states, which represent close to 59 percent of the national market.

Fiberglass boat sales, in the popular lengths of 14 to 30 feet, are down from last May, falling 30.4 percent in the early reporting states. On a rolling 12-month basis, the market is down 16.9 percent.

Aluminum boats sales fell 20.1 percent in May, and are down 9.2 percent for 12 months from May 2007.

PWCs decreased 24.2 percent in the month and are down 10.6 percent for May on a 12-month rolling basis.

“Low retail boat sales in May reinforce plummeting consumer confidence in the domestic marketplace,” Aarn Rosen, national marine sales manager for Statistical Surveys, told Soundings Trade Only.

“All segments are being affected. Our industry should be comforted by the fact, that all other vehicle markets (RV and motorcycle) are battling identical circumstances,” he added.

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## Smooth sailing for yacht builders despite economy

By Associated Press

Story Published: Jul 7, 2008 at 8:35 AM PDT

NEW ORLEANS (AP) - Fuel prices are soaring and credit markets tightening, but the super-rich are still lining up to pay tens of millions of dollars for mega yachts.

The well-heeled buyers of the floating mansions are increasingly coming from emerging economies - in the Middle East, Russia and South America. The source of their wealth runs the gamut - technology, venture capitalism, new industries. And, yes, oil.

"There are a lot of people with new wealth looking for relaxation and enjoyment," said John Dane III, president of privately owned Trinity Yachts, the largest U.S. builder.

These days, the biggest problem at Trinity's shipbuilding yards is having enough workers to handle the 24 custom contracts the company currently is working for the luxury vessels.

"Nobody is buying these yachts because they need them," said William S. Smith III, Trinity's vice president. "They're buying them because they want them."

Another builder, YCO Deuxil PLC, has nine yachts under construction - more than double from last year. Sales for the first five months exceeded the entire amount for 2007, the London-based company said.

YCO Deuxil, which also provides services for super yacht owners, saw its profit more than double to \$549,367 in 2007 over 2006.

According to Camper & Nicholsons International, a broker of yacht sales and charter contracts, there are about 3,800 yachts over 80 feet in service around the world now. About 1,800 of those have been built since 2000. The study predicts that that by 2010, there will be 5,000 such yachts on the water.

"There's not enough supply," said Ed Slack, editor of International Boat Industry. "It takes two years to build some of these yachts and the demand hasn't slowed down."

So far, Trinity's largest vessel has been a 192-foot yacht that would carry a replacement price of \$60 million to \$65 million. The company is working a 242-footer that will have a price tag in excess of \$90 million.

In the Netherlands, the First Export Association of Dutch Shipbuilding, or Feadship, can put together a 128-footer for about \$40 million. On the upper end of an already high scale, a 300-foot monster yacht typically will run around \$150 million.

Francois van Well, chief executive of Feadship America, said about 50 percent of his company's business comes from the United States, but more buyers are coming the rest of the world. And it's not old family money.

"Most of our clients have earned their wealth in one generation," van Well said.

Trinity, which once had an almost exclusive U.S. buyer base, also is seeing more overseas buyers who have recently moved into substantial money, Dane and Smith said.

At the Global Superyacht Forum, a meeting of yacht owners in Amsterdam last November, Steven Rattner, manager of DLJ Merchant Banking Partners, said there are 90,000 families in the world with a net worth of more than \$360 million each. That number is expected to increase over the next three years by 10 percent a year.

Because most of the new buyers are still active in business, they only have so much time a year for their yachts. Many also have vacation homes overseas. And they know about investments.

Enter the charter business, especially in the Mediterranean where, according to Dane, a 164-foot yacht can easily bring \$350,000 a week. By chartering a boat 10 weeks a year, the owners can pay operating expenses for a full year, he said.

"The charter market has allowed people to buy boats a little larger than they would have wanted to invest in had they not seen it as a source of revenue to help defray their operating costs," Dane said.

And these vessels don't depreciate in price.

Dane said the first owner of every Trinity-built yacht who decided later to sell got more for it than the purchase price. Three were sold by the original buyer even before they were delivered.

"We have one owner and this is his fourth boat and he's never taken delivery," Dane said. "Rich people don't want to wait on a boat and they'll pay a premium. This owner has taken that premium and moved to the back of the line."

Trinity has about 900 employees at its yards in Gulfport, Miss., and in New Orleans, where the company's yard was used to build the Higgins vessels of World War II and D-Day fame. Feadship has three European yards that keep 1,200 workers busy turning out an average of five yachts a year.

Dane said he could use more workers to keep up with the orders. When someone is ready to buy, a long delay could mean "they look for another yard," he said.

# Newport

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Dutch Harbor Boat Yards  
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The next Membership Meeting has been scheduled:  
Monday, September 8, 2008  
6:00 pm  
New England Tech  
Hall of Fame Room  
2500 Post Rd  
Warwick, RI

Comments or articles for submission, contact Lisa A. DiRaimo @ 401.615.5419 or [ldiraimo@cox.net](mailto:ldiraimo@cox.net)

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