



# **Multi-use and Modular Platforms: Trends in Platform Availability**

**Presentation to: Meeting Seven: Ocean Exploration Advisory Board  
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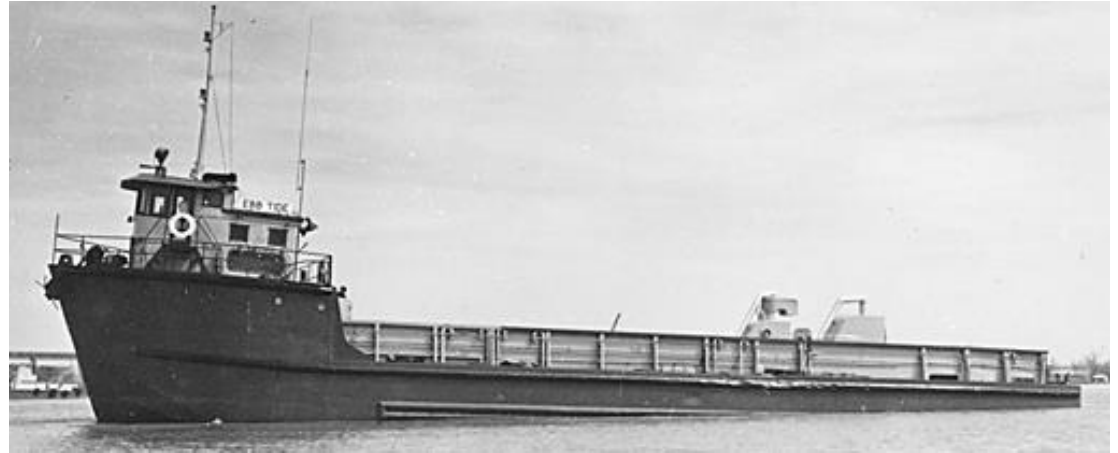
**Kirt Chouest, Edison Chouest Offshore**

# History of Offshore Supply Industry.

- 1723: “As defense, however, is of much more importance than opulence, the act of navigation is, perhaps, the wisest of all the commercial regulations of England” *Adam Smith*.
- 1789: Congress passes the United State’s first cabotage law.
- 1920: “It is necessary for the national defense and for the proper growth of its foreign and domestic commerce that the United States shall have a merchant marine of the best equipped and most suitable types of vessels” *Merchant Marine Act of 1920*.
- 1947: First well drilled off the coast of Louisiana, it is serviced by out-of-work shrimp boats and surplus WWII vessels.
- 1955: First purpose-built OSV constructed.

# History of OMSA and Offshore Supply Industry.

**M/V Ebb Tide**



# History of OMSA and Offshore Supply Industry.

**M/V Berm Tide**



**Betty Lou**

# History of Offshore Supply Industry.

- 1956: First jack-up enters service, necessitating stern-to mooring.
- 1960: First Semi-submersible platform, resulting in the addition of winches and A-frames to OSVs to make anchor handlers.
- Mid-1970s: Advent of lateral thrusters enables side-to mooring and “crewboating” or “live boating.”
- 1970s/80s: Increased use of dive support vessels and emergence of ROV supporting vessels.
- Early 1990s: OSVs start to incorporate dynamic positioning systems allowing for improved station-keeping.
- 2000s: As drilling moves deeper, see 300+ ft, DP-2 become norm.
- 2009: Emergence of the U.S. Flag IMR vessel.

# History of Offshore Supply Industry.



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# History of Offshore Supply Industry.





# History of Offshore Supply Industry.



## “Best equipped and most suitable types of vessels.”

- Long-term charter,
- Spot charter,
- IDIQ charter-Indefinite delivery/indefinite quantity,
- Long-term charter with option to purchase,
- Bareboat charter-COGO, and/or
- Vessel operating contract-GOCO.

# Advantages of Chartering.

- The Contractor assumes the financial risk:
  - Government pays nothing until vessel delivery and acceptance,
  - Termination for convenience clause, and
  - Government is only obligated to the extent funds are available.
- Government reduces perceived performance risk by reserving the right to substitute crew with federal employees, military personnel, or other contractors if prime is unable to perform specified services.
- Costs are fixed and determined in advance (typically up to 5 years), which allows for more efficient budgeting.

## Advantages of Chartering (Continued).

- Increased vessel utilization.
- Chartering inherently allows the Government to improve vessel capabilities, upgrade equipment, revise the statement of work, or simply require a newer, more efficient vessel on a more frequent basis at little or no additional cost.
- Allows for more innovation.
- Increases cost efficiency:
  - Charter includes all operations and maintenance costs, overhauls and dry-docking costs, and
  - Best value to the Government based on competition

# Hornbeck Offshore Services Examples.



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# Hornbeck Offshore Services Examples.



# M/V Laney Chouest.





# M/V Dolores Chouest and DSV Turtle.



# M/V Carolyn Chouest.



# M/V Kellie Chouest.



# Offshore Petroleum Discharge System.



# RVIB Nathaniel B. Palmer.



# RVIB Laurence M. Gould.



# Tractor Tugs.



# M/V C-Champion.





# Supporting Research.

## *Analysis of Maritime Support Vessels and Acquisition Methods Utilized to Support Maritime Irregular Warfare*

June, 2010

MBA Professional Report, Naval Postgraduate School

By: William Clark, Christopher Kelley, and Justin Bummara

Advisors: Keenan Yoho and James Greene

Report posed the following questions:

- Are leased/chartered ships meeting the requirements to support MIW?
- What is the most appropriate mechanism for acquiring vessels to support MIW?

# Supporting Research.

	LCS-1	HSV-2	C-Champion
Unit Cost	\$480,000,000		
Baseline Lease cost		\$18,250,000	\$7,569,000
Operating and Support Costs	\$61,700,000	\$26,845,000	\$2,588,000
<b>Cost per day</b>	<b>\$221,644</b>	<b>\$123,548</b>	<b>\$27,827.40</b>

Source: Clark, Kelley, Bumbara

“Analysis of Maritime Support Vessels and Acquisition Methods Utilized to Support Maritime Irregular Warfare”

# Supporting Research.

“As the defense budget becomes more constrained, all viable options to pursue needed technologies or platforms should be available.”

“Because of the cost advantage of the MV C-Champion, two or three of these vessels could be deployed in an operational area at the same cost per day or less as an HSV or LCS; therefore, ameliorating the disadvantage of being slowest to arrive at a scene of action.”

Source: Clark, Kelley, Bumbara

“Analysis of Maritime Support Vessels and Acquisition Methods Utilized to Support Maritime Irregular Warfare”

# Supporting Research.

“Leasing or chartering offers far more flexibility in highly dynamic operational environments since option years can be exercised at the discretion of the lessor. The flexibility of exercising a future option allows the lessor to find the best vessel to meet current end-user requirements. Whereas vessel procurement incurs a likely 30-year obligation to support, maintain and utilize a vessel and limits the capacity to adapt to changing end-user requirements.”

Source: Clark, Kelley, Bumbara

“Analysis of Maritime Support Vessels and Acquisition Methods Utilized to Support Maritime Irregular Warfare”

**Thank you.**

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