MMS OFFSHORE GULF OF MEXICO

ORAL HISTORY PROJECT

Interviewee: Scott Tibbs

Date: February 19, 2007

Place: Patterson, LA

Interviewer: Jason Theriot

Keywords: shipbuilding, aluminum crew boats, Gulf Craft

Bio

Scott Tibbs is the president of Gulf Craft, Inc. an aluminum crew boat ship builder located in Patterson, LA on the Bayou Teche. He received a degree in History from LSU and flew crop dusters before getting into the ship building business. Currently, his son, Kevin, runs the daily operations.

Early career: Tibbs was the pilot for Fred Sewart of Sewart Seacraft, one of the original pioneers of aluminum crew boats. When Sewart received contracts to build swift boats for the US Navy during Vietnam, Sewart subcontracted Tibbs for small aluminum fabrication. Tibbs had prior experience working and welding aluminum on airplanes. He fabricated aluminum parts at his father's property on the Bayou Teche and when Sewart merged with Teledyne, Tibbs opened up a new yard with three employees to build small crew boats. He delivered his first crew boat in 1966.

Work force/other issues: Gulf Craft has the same number of workers today as in 1970s. Back then, the yard could deliver six or seven vessels a year, but they were typically in the 70-100-foot range. With today's massive vessels to support ultra deep water, the number delivered is much smaller, as the work hours are much longer for the bigger, high-tech vessels. Yet, with 85 personnel today, Tibbs believes this work force allows his company to be most efficient and profitable, as apposed to more workers with lower skill level to build more boats.

The major problems Tibbs has with the industry, is the lack of guidance by the State's vo-tech educational programs to encourage young people to enter skilled professions, the attack on the Jones Act by Congressional members, and the limits to water access via the Bayou Teche.

Company significance/history: Gulf Craft begin building aluminum "Joe Boats" for oil companies in the 1960s. These boats were used for shallow water inland activity and were small enough to pull up to a platform, keep the engine running in idle, and take a quick meter reading or check the instruments and go on to the next platform. From there, they began building small crew boats.

In the 1970s, Norman McCall paid a visit to Gulf Craft. Tibbs was in the bayou wrestling with a one of his small boats that had begun to sink during a rainstorm the night before. McCall appeared and said to him "Son, do all of your boats do this!" Thus began a business relationship that has lasted for more than 30 years.

Gulf Craft has the distinction of leading the crew boat industry throughout many of these years. Their firsts include: first 110-footer, first quad-screw, first five screw, and the latest new build, a 190 fast/crew supply boat, the "John C. McCall" and a revolutionary new catamaran design "SEACOR Cheetah" due in 2008.

When a slowdown occurred in the 1970s, Gulf Craft began building party fishing boats for the East Coast. When the "bust" occurred in the 1980s, Gulf Craft was able to survive by buying crew boats for cheap, and converting the hulls to party fishing boats for customers on the east.

Today, Gulf Craft has a partnership with Norman McCall and SEACOR to build multiple crew boats every year.

Tape 1, Side 1

JT: —Roy Tibbs?

ST: Scott Tibbs. Roy—I go by Scott.

JT: Okay. You go by Scott. Scott Tibbs. This is at Gulf Craft on February 19th, 2007. Gulf Craft is in Patterson, Louisiana. They specialize in offshore service vessels, aluminums builds, and we're here today talking about the history of his company. Introduce yourself, Mr. Tibbs, and tell me about how you got involved in this industry.

ST: I'm Scott Tibbs, and I got started in this industry through Fred Sewart with Sewart Sea Craft. I was a pilot for Mr. Sewart. Most of the flying I did was in the wintertime because in the summertime I was involved in crop-dusting. Mr. Sewart, who was one of the pioneers of aluminum boat building here in Louisiana, along with Roy Breaux, in 1965 got a contract with the U.S. Navy to build the infamous swift boats.

Since I fooled with airplanes and I knew how to weld aluminum, I was able to do some subcontracting work for Mr. Sewart. He needed subcontractors,

and we started out by building handrails, ammo boxes, cabins, vents, just all kind of small parts that could be built away from the shipyard proper and trucked in. This went on for about, oh, I'd say, about eight months, and then he asked me if I'd be willing to build some small boats for him that he had contracted for prior to the Navy swift program, and he needed to build these boats. These boats were only twenty feet in length, so I told him I would certainly try.

My dad owned this piece of property here that we're on, so I built a building over here and we started building the boats. I was very fortunate in that I had complete access to his yard and his experienced personnel, and they just walked me through it on how to build the aluminum boats and it just grew from there. It was an accident. It was nothing planned or premeditated.

JT: Your family is from here, from Patterson?

ST: Not originally. My dad moved in here after World War II. He had a crop-dusting business at the airport right across the road. But that's how it got started, was just—then in 19-, I think it was '66, Sewart Sea Craft merged with Teledyne, and they—at that point Mr. Sewart said, "Well, I just can't give you work like I've done in the past. We're under a big corporate umbrella, so things will be different." And it would either be me trying it on my own or just shutting the doors, and I figured I'd give it a try on my own and started out building little thirty-six footers. Then it went up to the forty footers and then the sixty-five

footers, the fifties and sixties, it just grew up, just like that. It was strictly an accident.

JT: I mean all of you guys all have to have not only a lot of courage but a lot of tenacity to want to get into an industry that y'all are not that familiar with, a brand-new industry in many respects, if you're getting involved in aluminum boat building in the sixties. Not too many people were doing it.

ST: Well, it wasn't a young industry. It had some history. Roy Breaux and Fred Sewart started out building steel boats, you know, thirty footers and forty footers and fifty footers. They built a lot of those boats out of steel. It's just that when aluminum came along, it was a new product in the fifties and they both started experimenting with it. Roy Breaux was working with Reynolds, and Mr. Sewart was working with Alcoa, and they both built prototype boats and it just grew from there.

JT: Similar design for a steel craft?

ST: Oh, yes.

JT: I realize that you've got to have a lot more braces and—

ST: No, you could—you could see a steel boat and an aluminum boat out there at a distance and you really couldn't tell one from the other when they were new because, you know, the way they were painted and everything, they all looked alike.

But construction technique is somewhat different, but not a whole lot. You still had your keel, your bulkheads, your transverse frames and longitudinal stiffeners, both in the steel boats and the aluminum boats. Sure did.

JT: What year did y'all break ground here and start building vessels?

ST: 1965. Our first boats we delivered for Mr. Sewart, the little ones that I was just telling you about, was in 1966.

JT: That was also for the military or was that for offshore oil and gas?

ST: No, the subcontract work that I was doing was for the military boats. The other subcontract work for the little hulls or the little boats was for—the first two were for Shell Oil Company.

JT: Really?

ST: Yes. But they went through Mr. Sewart, and then—

JT: You were looking for inland activity in—

ST: They were what they called Joe boats, and everybody used Joe boats in their production work for going and checking the inland production platforms and wherever they had work going on. The little single-engine diesel boats is what they were, and they would actually just go up against the platform with the bow, leave it in gear and leave it running. They would go out a front door, they'd go up there and do their meter readings or whatever they had to do. Or if they had an extensive amount of work, they would shut the engine off and just leave it tied off there and do that. But most of the time they just left it running in gear and tied it off and went up, checked the platform and the instruments and everything, got back on the boat and went to the next one. That's it.

JT: Before you guys and Roy Breaux and Sewart, who, which companies were building vessels to service the offshore oil and gas industry?

ST: There was no offshore oil and gas.

JT: It was all inland.

ST: It was all inland initially, and that's what they were building, the steel boats. The first offshore rig was built by Kerr-McGee, I think, right out here, and I think they used sixty-five foot steel boats too and some shrimp boats and stuff like that for trying to work.

Then that's when a Mr. Laborde started—he was the need for the offshore vessels, service vessels, and he started Tidewater Marine.

JT: That's out of Morgan City?

ST: They had an office in Morgan City. Now, if they started in Morgan City or if they started in New Orleans, I don't know. You'd have to talk with some historian with Tidewater to get that information.

JT: So they were a marine service company that was going out and having boats built and, like Tidewater, would essentially rent a boat from you like SEACOR does to run activities out to the Gulf.

ST: Well, no, Tidewater owned these boats. They built and owned these boats and rented them to the oil companies. It was a startup. In other words, they saw a need there. Mr. Laborde saw a need for these vessels and they could see that the offshore work was going—actually, from what I understand, Mr. Laborde worked for Kerr-McGee.

JT: Was he?

ST: Yes, sir. Originally he was with Kerr-McGee, and he saw the need and went on and started this business.

JT: Is that Doc Laborde?

ST: Yes.

JT: He's still living from what I hear.

ST: Really?

JT: Ninety-three years old.

ST: I'll be. Well, he had a brother that ended up running Tidewater, and actually Doc Laborde got off into ODECO, Ocean Drilling and Exploration Company, and then which that in turn ended up being Murphy Oil Company.

JT: Is that right?

ST: Yes. But his brother, I think it's Alden Laborde, I'm not sure. But his brother is the one that ended up running Tidewater for many, many years. I think Mr. Laborde just retired maybe, what, fifteen years ago or, right, something like that.

JT: So like you said, you got involved in this almost by accident.

ST: Yes.

JT: You're completely connected in a wholly totally different way as being a pilot to this, one of the pioneers of this industry.

When you broke ground here in '65, you were building the smaller vessels, who was out here in the yard working on these boats, going to work one of these jobs.

ST: Me and three other fellows.

JT: Is that right?

ST: Yes, that's right.

JT: So you had had some training and experience?

ST: I knew how to weld aluminum through the airplanes, and then I just had one other pilot that was working with me that I also knew, and then I had a couple other fellows that I just hired and it just grew from there.

JT: Where would the designs for these smaller vessels and bigger stuff that you got into after a couple years of being—

ST: Well, what I was—the initial subcontract work, I was getting all of my drawings from Sewart Sea Craft. Right. Then after that, I'd either use their drawings on some of the little thirty-six footers or drawings that I did myself, generated myself. I just taught myself how to do drafting work and just started doing the drawings.

JT: So a historian at LSU, a pilot and then a nautical engineer.

ST: Well, not a nautical engineer. Just doing some drawings.

JT: So your background, you grew up here in this area.

ST: Yes.

JT: Then, as you said, did you go to Patterson High School?

ST: No, we lived in Franklin.

JT: Lived in Franklin. Did you go to Hanson?

ST: Franklin High.

JT: Franklin High, okay. Then off to LSU and studied under T. Harry Williams?

ST: Yes, well, he was one of my professors in East Louisiana History, yes.

JT: Did you want to be a professor?

ST: No, no, I just wanted to get a degree. I thought I'd be sitting in an airplane all my life.

JT: Then the opportunity from Mr. Sewart?

ST: Yes, when Mr. Sewart was looking for subcontractors, that was just an opportunity, and then whenever I built the boats, subcontracted those small boats for him, well, then he merged with Teledyne, as I indicated earlier. By that time,

I figured, well, I'll just give it a chance, give it a try, and then it just grew from there.

JT: Your initial investment, how did you—if you don't mind me asking, how did you acquire the funds to initially break ground here?

ST: Well, as I say, my dad owned the business, and I bought the steel and the tin and everything to build the building through Sewart Sea Craft and repaid them, and then after he merged with Teledyne and I had to go on my own, actually just borrowed the money from a Morgan City bank. He co-signed for me, and it just started out from there, started with a hundred percent debt.

JT: Well, let's talk about the late seventies when you've got the big oil boom and a lot of activity right there on the shelf. What was that like for your company here? What did that new booming industry do for Gulf Craft in the late seventies?

ST: Well, that was a good time. We were real busy building a lot of hundred and ten foot boats for Mr. McCall, the quad-screw boats, and then it grew from the hundred and tens to the one twenties and then the one forty-fives and the one-sixties to one fifty-fives. It just kind of grew from there, and we just kept growing with them.

JT: How did you two guys find each other?

ST: Well, Mr. McCall—it's really strange. Mr. McCall came over here and was talking about a boat, and I talked to him about a boat down in Cameron. Then he came over and visited the yard one day, and at that time I happened to have a little thirty-two foot sports fisherman, and I had the engines out of it. We had a check of a rainstorm and the water sunk it down to where it started coming in through the exhaust ports. It was just stupidity on my part, I should have seen that.

So what we did, here the boat sank in the slip out there. We had a crane on each end of it holding it up to where—and a pump, pumping the water out. I was down in the boat in my drawers with the pump, pumping the water out, and then Mr. McCall, his famous words, he walked up and looked down there, he said, "Son, do all of your boats do this?" And that's how it got started.

JT: I'll be.

ST: The first boat we built for him was a seventy-seven foot boat, the *Joseph Allen McCall*. Yes.

JT: What year was that, do you recall? Maybe early seventies?

ST: Oh, yes, yes. It had to be '71 or '72, yes.

JT: You mentioned earlier that you guys were able to build a handful of ships of that size today. What about back in the seventies? How was your workforce geared towards your types of aluminum craft?

ST: We could, yes. We had about the same number of people as we have now, and since it was a smaller boat, we could build about six to seven a year, deliver about six to seven a year. But now the boats are just bigger and much more complex, and we can't deliver that many. There's more man hours in one of these boats than four of the hundred and ten footers. It's just unreal, you know, big difference in them.

JT: So was the late seventies, early eighties, was that the best time for your business for your industry?

ST: No, I would say it's been about the same, except for the early eighties when everything shut down, you know. But it's been about the same all along.

JT: Tell me a little bit about that in the early eighties, '82, '83, when things got really bad and softened up and you had a lot of external forces that were working against the offshore oil and gas industry and sort of these companies in marine

transportation. What are you thoughts on what happened, and how did that impact your industry?

ST: Well, I was fortunate in that prior to that time, we had another slowdown back in the early seventies, just about right after the time we built the *Joseph Allen* for Mr. McCall, and I had people inquiring about party fishing boats. So the party fishing boats were over—the first inquiry I had was from Virginia Beach, Virginia, and he inquired about it. They wanted the speed that we could get with aluminum. They had all been using wooden boats.

So he inquired, kind of described what the boat looked like, so we just—I would send him a drawing. The drawing wasn't right. So then we kept going back and forth. So finally I said, "Well, look, I'll tell you what I'll do. I'll just get on an airline and fly out to Virginia Beach and see what these boats look like, and then we'll go from there." So that's what I did.

I flew out there, saw what the boats looked like, and we built one for him. Then that just opened up a whole new industry for us. So fortunately, whenever the slowdown occurred in the eighties, we were already established on the East Coast and, you know, and were known, so we built—up to that time, we were building as many party boats as we were crew boats. It was about fifty/fifty.

Then what was so nice about it, whenever the oilfield would slow down, it seemed like the party boats were busy, and I had a lot of work there. Then vice versa, whenever the party boats would slow down, I had more oilfield work to do.

So they just kind of dovetailed. So whenever the oil crunch hit in the early eighties, I already had another customer base that wasn't oil related, and that helped me in that period. So we did a lot of new boats.

But plus the slowdown put a lot of crew boats out of work, and they were for sale very cheap. A lot of people started buying those cheap hulls, and we would convert them into party boats, party fishing boats, ferry boats, you know, whatever they could use them for. There was a lot of conversion going on. I did them. Swift Ships did it. A lot of people all were converting crew boats in the area. In a way it helped, because we had a surplus of boats in the area, so that took that surplus out of the Gulf Coast and put it to work in other areas around the country.

JT: So diversifying is probably what kept you guys afloat?

ST: Yes.

JT: I mean I'll imagine that you probably didn't have too much new construction in the offshore.

ST: Not in the eighties. Mr. McCall was the only one really building a boat every now and then, yes, and the rest of the work was for either party fishing boats or conversion work, stuff like that.

JT: The party fishing boats, I'll imagine they're about forty, forty-five foot.

ST: Oh, no, these boats were eighty to a hundred feet in length. Yes, these were big boats. These were boats that if you—the people up on the East Coast are a different breed of people, and they're used to congestion. So whenever they go fishing out there—Mr. McCall's brother had a boat similar to it. The cabin is set in, and you have about a four-foot space all around where everybody can sit there and they bottom fish right over the side of the boat. They're shoulder to shoulder all around this boat, bottom fishing, and the boat will get out and get over these wrecks or rocks or whatever, some kind of structure under there that holds fish, and these people fish. Whenever the fish quit biting, they go to another structure, and that's just what they do. It's called party boat fishing, and it's big all around the country. It's a small industry, but it was big at the time.

JT: Probably fifty, seventy-five bucks a day per head?

ST: Around fifty at that time, yes.

JT: That's good. It kept you guys in business. Are you still building a few fishing?

ST: Oh, yes. We built one just two years ago for a Captain Elliott. It was a hundred and twenty-foot boat. Yes.

JT: Now, with space of your yard now, your access right here at the Bayou Teche into the Atchafalaya River, which brings you up to the customers, was there a reason why in the good times, let's say the late seventies and maybe recently and period some periods in the nineties where you had some big upswings, is there a reason why you've never wanted to take your company and increase its size to be able to build maybe six, seven or eight boats, maybe add another thirty, forty personnel to your workforce? Is there a reason why you decided to stay your size?

ST: Well, two things, really. This was bought and paid for, and since the oilfield is really cyclical, it's difficult to establish a cash flow to pay for something like this. In other words, this was all built up gradually. In other words, this was built up over a period of twenty years. In this yard here, we have about a four and a half million dollar investment. If you were to go out and invest that all at one time and have a four and a half million dollar note, it's hard. It's hard to be competitive with your other competition and have that kind of note to service. It really is. It's very difficult.

JT: It would almost be impossible or someone would be crazy to want to come into the industry today to invest in what you guys have done, and the Breaux and the Neuvilles and everyone else who's—

ST: Right.

JT: There's a buildup of property and the sights and—.

ST: Right. Well, there's one company like Conrad in Morgan City who did it, but they were a public company at the time, so they had access to funds at a cheaper rate, plus they got some kind of economic development grant or something, which was a very low-rate, low-interest rate, so they were able to do it. I don't know how they're doing financially. I don't know anything about that.

But there would be ways to where you could go in and do that, like Boyse Bollinger has done that, but he had a lot of government work to subsidize it. But if you're just strictly looking at civilian work, there's not that much profit in these boats. It's surprising, you know. You turn over a lot of money, but it's competitive. There's not a whole lot of profit, and if you throw in a note, say a five or six million dollar note, you're just shot out the water. You really are. You can't—

JT: I'm sure the technology today is ten times more expensive than what it was in the eighties, I mean.

ST: Oh, yes, absolutely.

JT: With digital and, as Mr. McCall's explained to me, the DP technology.

ST: Oh, yes.

JT: —probably shot the cost up of these things tremendously.

ST: It really has. In fact, five years ago, we didn't even know what DP was, you know. It's all come about just that quick. It's all recent.

JT: How do you and your team, how do you all keep up with the changing technology? I mean is it reading, is it associating with other people in the business, how do you keep up?

ST: No. It's a demand type thing. In other words, the oil companies have demanded that Mr. McCall and them have a vessel capable of DP. So then Mr. McCall will come to us and tell us, "We need a boat that has a capability of DP." Then we go to the companies that make DP, and then they are the ones that supply us with the

technical information on that. It's just strictly a demand thing. They're not going to go out and put something on a boat that's not, you know—that's expensive and is really not needed. So it's a demand type thing.

It's like it started way back when Mr. McCall started building boats with the capability of transferring fuel and water. It was a demand. The oil companies wanted these boats to be able to do that, and it has just grown from there. It's grown from fuel and water. It's grown to liquid mud now on this last boat. Before that they had bulk mud on the deck in tanks. It's all been a demand type thing. Whatever the oil company—

JT: That's interesting. Let's focus on that a little bit more because what he was explaining to me, Mr. McCall was explaining to me, is how this—well, I'm referring to as a combo job where you've got a crew boat and a work boat, work boat meaning able to carry excess bulk or excess fluid or mud of whatever type of equipment or substances, and now you're able to combine both of those into almost the same vessel. It's gotten a lot larger, but over the last ten to fifteen years, this really seems to be the types of vessels that the oil companies or the big customers are preferring.

The research and development, what you're telling me, is the R & D that the oil companies have done that proves, hey, we need DP or we need quadruple screws or we need this type of technology, this is something that they're developing on their own and just coming to you with the product, basically.

ST: No, the oil companies aren't developing it. You have technical companies out here. Let's say Joe Blow DP System or something like that, they're the ones that are developing this. What the oil companies are doing, and correct me if I'm wrong, but they have a lot of money invested in these like tension leg platforms or some other surface, not submersible, but these DP. In other words, a lot of the drilling platforms themselves are controlled by DP. They're sitting there holding them on location. They don't want these boats banging up against those structures, so I think that has been what has created demand for it. In other words, they want this boat to be able to sit there and kind of stay in sync with the platform, as I understand it.

JT: So the days of backing up a hundred and fifty foot steel crew boat, you know, using old tires and backing up to an existing platform, let's say, in two hundred foot of water and unloading men and personnel, that's pretty much gone by the wayside. If you're talking about deep water activity where you're in several thousand feet of water, you've got to have a boat that's capable of maneuvering.

ST: Yes, that's right.

JT: Now, where are these DP technology, and Mr. McCall was mentioning, a lot of this stuff is coming from overseas.

ST: You know, I can't honestly answer that. I don't know.

JT: Well, when you get a design or I'll imagine that you have a team here that designs these boats, how do they communicate with those people who are providing the technology for the engines for electrical work, etc.? How do those two come to an understanding of what needs to be done, what needs to be put into that vessel? In other words, if a lot of the DP technology, as Mr. McCall explained, is coming from overseas, how do your guys here at Patterson who are actually designing these vessels communicate?

ST: Oh, they have engineering departments also so and they're engineering departments. In other words, they are wanting to sell their product, so any shipyard, not just us but any shipyard that has interest in it, they will send their engineering people over here and get with our engineering people and then they work out the logistics of it and how it's designed and everything. It's the same thing with engines when it comes to engine installations or with bow thrusters or with mud tanks or fire monitors. Anything that is bought away and brought over and put onto the boat, those companies have engineering departments and those engineering departments will work with all of the shipyards, not just us, all of the shipyards, whoever is building a boat.

JT: So I see what you mean, as the costs can quickly mount for you guys when—

ST: Oh, yes.

JT: And once you bring people in and real detail, the specifications of these vessels.

ST: Yes, right. Because you have to get this all done and then you have, in turn, submit this drawing to the Coast Guard and our ABS whoever the governing society is if it's going to go foreign to approve these drawings. In other words, once you've got what the engineering world of this DP company and they have it all together, well, then you submit these drawings. We submit those drawings to the regulating authorities for approval.

JT: Then you begin construction.

ST: Right, yes.

JT: How many vessels, do you think, Gulf Craft has designed, built since the mid-sixties?

ST: We're on four-sixty-what, for you?

KT [Kevin Tibbs]: Four-sixty-four in the back.

ST: Right.

KT: Then we got up to four sixty nine.

ST: Right. So it would be three hundred and sixty-nine, because I started the hull numbers at a hundred that we built.

JT: Three hundred sixty-nine since '65, you said, forty-two, forty-three years. That's pretty good. What about the nineties when you had a lot of merging going on with oil companies and people or companies begin moving off of the shelf into little bit deeper water. How does that change things for you guys right here in the Bayou Teche?

ST: It really didn't change anything. It's just the boat that we were building, they grew from a hundred and twenty footers to one fifties and one sixties and one nineties. We've just, as the—again, it's a demand type thing, and as the demand for larger vessels arose, we just started building bigger and bigger boats to keep up with it. A lot of it, it's customer driven. In other words, Mr. McCall would have an inquiry or he would see the need for a larger vessel. Most of the times,

it's something he saw the need for and built it and then presented it to the oil companies.

JT: So it really is almost a partnership between the owner of the ship and the shipbuilding yard itself. I mean it's, without an owner, you wouldn't really have a consistent client for the ship company, and vice versa.

ST: Yes.

JT: It's really like those two entities work almost hand in hand.

ST: Well, I would say that that's kind of true because most people all kind of stick with their same yards. Most boat operators have stuck with the same yards that they have, and it's more with the relationship that you've developed with the people over the years because there are other companies that are doing exactly what we're doing, you know. We're not unique in any way. It's more of a relationship that has developed with the boat operators as well as with the boat builders.

JT: I can see from the Colton Company listing, that you guys have been building almost every boat for SEACOR since the mid-nineties.

ST: Yes.

JT: So they're satisfied with the work and they keep coming back to you guys.

ST: Well, let's hope so.

JT: What do you all have under construction today 2007?

ST: You know, I'd have to ask my son that. I hate to say it. But we have, let's see, a hundred and sixty, a hundred and ninety, a one seventy-five maybe, and then we have a hundred and sixty-five foot catamaran out there that's going to be the first crew boat.

This is another thing that SEACOR has done they're going to. We have built some catamarans that are used in the passenger industry, and they think possibly there would be a need there for maybe a small neighborhood need in that market for that type of boat in the offshore industry. So we're building the first catamaran crew boat for the SEACOR right now [*SEACOR Cheetah*].

JT: So your son runs the yard?

ST: Yes.

JT: Okay. At what point did he get involved with you in this business?

ST: When he got right out of college, he started working here, and he's been running the yard, I'd say, for the past six or eight years. Yes.

JT: What about your workforce today in the last, well, let's say since 2000, has it really changed much since the seventies and the eighties when you guys were building smaller vessels?

ST: Probably I would say our workforce has gone down somewhat where we had maybe like ninety-five to a hundred people working, we're at about eighty-eight right now out back. You kind of reach a point of diminishing return, and we have found that about where we are right now is where we're probably the most profitable and economical to operate with the people that we have.

Of course now, we're always looking for good people. If you could find, you know, qualified good workers, welders, electricians, riggers or what have you, you know, you would go ahead and hire them.

JT: Is it hard to find these days?

ST: Absolutely, yes. We have a lot of people, a lot of shipyards down here, the Breaux Brothers, Neuville, Breaux Bay Craft, ourselves. There's a company in

Jeanerette, Swift Ships here, Conrad here, and we're all drawing on the same labor pool. So it's, yes, it's stretched thin.

JT: Has that always been the case, you know, like in the eighties and nineties were you guys struggling to find skilled hands?

ST: Yes, we have been struggling all along to find good labor, yes, because we've had virtually the same amount of competition down here.

JT: So because there's a handful of you guys who are basically working on the same type of product with the same type of customers, you're always going to be looking for skilled—

ST: Oh, we're always looking for skilled labor, you know. But you know, that too can be a—it's being addressed. Like I had a meeting with the fellow that's in charge of the educational system. Vocational schools used to be under what they call BRECK, but now they're under another department, which is also in charge of high schools, universities and all the educational department has been consolidated into one. There, they're trying to instead of pushing all this high-tech stuff, we don't have a demand in this area for computer operators and computer programs and all that. We have a demand in this area for electricians,

mechanics, plumbers, welders, fitters, stuff like that. This is what our big demand is.

Our industry along here doesn't demand all the high-tech stuff, but your educational people have gotten off onto a tangent, and you would think everybody's going to be a rocket scientist or an engineer or something like that, and it's—we don't have the demand for that in this area. Where all of these degrees or they're pushing people in that, that's just they're encouraging these people to leave the area to seek jobs elsewhere. Whereas if they would go ahead and push the vocational aspect of it, diesel mechanics, you know, and everything that I just listed a while ago, these people would stay more in this area. This is what one of the things that our educational department is looking at right now.

JT: You mean of St. Mary Parish?

ST: No, no, for the State.

JT: Okay. For the State.

ST: Yes.

JT: That's very interesting. Have you all had any success or any encouragement along the way?

ST: The only encouragement we've had is that the head of this educational department, we're trying to set up a meeting with him and Conrad, Swift Ships, everybody in this area to explain to this fellow the type of labor that we need. These people are brought up in the educational system, and they think of everybody as being doctors, lawyers, you know, accountants and this stuff. Yeah, everything is set up like that and we don't need that. We really don't need that.

JT: Who is this guy who's in charge?

ST: Well, the fellow that's in charge of it now is a fellow by the name of Pat Strong. He's appointed by the State, and he is going to set up a meeting with the actual employee who is going to come down here, and I don't know his name.

JT: What was the name of that little organization that they have?

ST: I might have—I wouldn't want to quote that because I might be wrong. But I know that education in the high school levels was under one program and vo-tech educational was under another program. They're wanting to bring this all together to where it's somewhat like in Europe. You've got a Y in the educational system, and those who have the propensity to be doctors and lawyers will take the left track. Those who are going to be your mechanics, your workers,

your electricians, your plumbers, etc., carpenters, they're going to go the other way to vo-tech side of it.

Now this is just something that they're working on. You might get another administration in there and they want to change the whole thing, or you just—

JT: I understand what you're saying is, is if an eleventh grader or a twelfth grader, let's say, a sixteen, seventeen, eighteen year old young man, might want to stay in the area and work a regular job.

ST: Yes, right.

JT: But may want to be inclined to go into some type of high school vocational training, like what they used to do at the Acadian Regional Airport.

ST: Right, yes.

JT: I'm not sure if there still is.

ST: I don't know if it's there or not. Or they're looking at the possibility of once they're through with high school, instead of going to a university, go to a two-

year vocational thing or, you know, some two-year type college, you know, in that respect of field.

JT: And learn this industry. One of the things that I've talked with people, you're not the first to talk with me about some of these problems, I've had some long discussions with other people in the industry, but for a long time—I'm speaking for me personally. I'm thirty-two years old, grew up in the fabrication industry. But for a long time I think it had a lot to do with what happened during the oil bust in the eighties is that it was built into my generation that if you don't go to college and get a good degree, you're going to end up working in the oilfields and you don't want that.

ST: Yes.

JT: They could get a whole generation of people like myself who grew up in that atmosphere that ten years later we still believe that, that in our understanding and growing up, it was a dirty, tough, hot, cold job that people my age just didn't want to get into.

ST: That's true, and that's part of the fallacy of our educational system, because they're thinking of just the oil industry. I mean we have more than that down here and I haven't—you'll notice, I have never just said welders and fitters. I've

said carpenters, electricians, plumbers, mechanics, in other words, there's a need for that type of people, whether it's oilfield or not.

Have you ever hired a plumber?

JT: Yes.

ST: You know what they cost? And that's not oilfield related. In other words, there is a need for this type of people down here, this type of worker, rather, down here. It's not just oilfield related. In other words, Lafayette has diversified into a real good medical community. So has Houma. Houma is a big medical community, you know. It's not—everything down here isn't oilfield related anymore, not a hundred percent. But we still need people with these skills to do this.

JT: So what are you seeing for the next twenty years of some of the things we're talking about, the technology, the going into the deeper water, holding good clients like Mr. McCall here and some of the labor issue? What do you see for Gulf Craft in the next ten, fifteen years?

ST: Well, we're a small company. We don't have any debt and that allows us the ability to adjust with the—as the supply, as the demand for these vessels varies. As to what happens in the next fifteen years, I don't have a crystal ball. I don't know this. But everything has just continuously gotten larger and larger and

larger. I would think that it just might grow, continue to get larger up to a point. I guess everything's got to stop somewhere, but I think it will just continue on.

JT: What about your geographic location right here? You've got the Bayou Teche in the background of your yard here.

ST: Yes.

JT: How important is it for someone involved in this industry to have that, this type of convenient access?

ST: Oh, if you're going to build these bigger boats, you've got to have it. In other words, Roy Breaux, Neuville and Breaux Brothers operate in the same Bayou Teche, they're just further up. They go out the Baldwin Cut and we go out through Morgan City. I would say 75 percent of your crew boat builders are on the Bayou Teche.

JT: Now, what about keeping that Bayou clean and dredged and serviceable enough for your big vessels?

ST: It's very important. We have a problem with that, like Mr. McCall's got his boat out here, and they bent a wheel just the other night coming in here.

JT: Oh, really?

ST: Yes. It was in the Teche, right down the way here. Breaux and them have the same problem. They've actually—and I don't know this for a fact, but I've been told on some of their bigger boats they've had to have crew tugboats push them down without propellers on them, and then they would pick them up at a dry dock here in Morgan City and put the propellers on them because of the draft constraints.

JT: It's going to be something to look at in the future.

ST: Yes. See, they have more of a problem up that area than we have because, fortunately, we have an oil dock right across the way, and about two times a week, we have a push boat with a barge in and out of here, filling that barge up over here with distillate of whatever it is across the Bayou. So that tugboat pushing that barge up and down this Teche between here and Morgan City is giving us, is keeping us with some draft or water depth whereas up towards Neuville and them, they don't have that same.

JT: It doesn't appear that the Bayou is as wide further up as it is right here.

ST: No, it isn't. Really.

JT: That's where I grew up, spent a lot time skiing in there. You can walk along the side of the bank, you know, I don't know how you can get a big one-ninety. I mean what's the draft of a vessel like that? In other words, what—how deep do you need a cut in order to be able to move?

ST: A light vessel, at least eight feet.

JT: You mind if I—

ST: No, you can shut this thing off if you want.

[Tape recorder turned off.]

JT: Let's talk a little bit about SEACOR and how you guys are involved with this particular company. Tell me about when they first came to you and how that relationship has developed over the last fifteen years.

ST: Well, actually, SEACOR came to us through Mr. McCall. We built most of those boats that they show there on that list at SEACOR were built for McCall Boat Rental, and then Mr. McCall merged with SEACOR, why then it just continued

on and that's how it—it was a continuation. Our relationship with SEACOR was a continuation of our relationship with McCall Boat Rental.

JT: Do you have any other customers?

ST: Yes. We have built for other people, but right now as it stands, the work that SEACOR has pretty much occupies a hundred percent of our yard. In fact, it does in the oilfield related stuff.

JT: All of your hulls that are under construction right here and even the new ship, that's all for SEACOR?

ST: That's all for SEACOR.

Tape 1, Side 2

ST: They've built boats at Neuville, they've built boats at Breaux Brothers, Bay Craft, possibly, all around.

JT: Are they strictly a marine transportation company, or they also have other areas?

ST: Oh, no, they have a lot of divisions. Mr. McCall could explain that to you. I don't know what all they're involved in, but there are other divisions besides the marine, oilfield marine transportation division.

JT: So right now, how far are y'all signed up for work?

ST: I think through 2008, if I'm not mistaken. Yes.

JT: That's enough to keep you guys busy for a little while, vessels like this, this one ninety-foot.

ST: Yes. Well, a small a yard as we are, it would be hard to do any more than that, you know. We're really at our maximum capacity right now. We're just busting at the seams to try and do all this with our workforce that we have.

JT: Are you on a forty-hour workweek?

ST: No. We work, let's see, right at forty-eight hours a week. Yes. And there seems to be always some kind of work going on on the weekends. Yes.

JT: What about your labor force? We talked a little bit about that. A lot of these guys are homegrown from the tri-parish area.

ST: Yes.

JT: What are some of the options as far as increasing that if this labor pool continues to decline? Is there any options for you guys? Have you all talked about looking into other forms of labor, migrant workers?

ST: Yes, we have looked at that. We have tried some and, as I say, we had some of them we've had good success with, and some of them we've had a problem with their documentation. They would come here and they have a social security number and their green cards and everything, then lo and behold the border patrol's knocking on the door. These people, they're saying, aren't legal. They had falsified documents. So we've had that problem.

It's hard, you know, to—you know, and the border patrol knows that we have asked for the proper stuff. We've asked for their social security number and their green cards and all that stuff, and their temporary work permits, and they have presented us with something. So it's not like we're hiring illegal workers. In other words, we've gone through the right process, and they understand that, so they don't give us any grief about it.

If we could find—that's why I asked you about this source. If we could find another source of labor, these Mexican workers there that you were talking about, we might possibly give them a try.

JT: I know some of the bigger companies like Bollinger are using the Romanian migrant workers that he's brought in and housed them.

ST: Yes. Romanian?

JT: Yes, he's got some Romanian workers in there, and it's—there's other companies that are just trying different things right now. From Poland that are working down in southeast Louisiana. Just as you mention, it's a change in culture as we talked about and it just doesn't appear that your typical twenty-five-year-old local guy is getting into the industry like he used to. With the change to the deep-water activity, you're going to need more and more ships. Marine transportation is a component of the oil and gas industry, we all understand that, but your business is not going to slow down. So yes, some changes are going to have to be made.

ST: Yes.

JT: We can definitely see that. A question here: In relation to your forty years in the industry here in south Louisiana, you now, the oil and gas makes up a big chunk of that, and that has its advantages its and disadvantages. What do you think about how the community here in St. Mary Parish and Patterson, in particular, and Morgan City, how is the community and that industry attached at the hip?

ST: I would say attached very strongly because we really don't—we have a small agricultural community here, which was here before the oil and gas, but you don't have a seafood industry that they had at one time, so everything here is pretty much oil and gas related. The economy in this area is oil and gas related. As it goes, so goes the economy of St. Mary Parish.

JT: Like we said, it does have its ups and its down. What would be some of the positives other than just simply supplying jobs? I mean does the oil industry, does that business, that continuous fluctuation of a boom and a bust, what are some of the things that it could provide today in the last forty years that maybe the sugarcane and the rice and the crawfish industry and the seafood industry may not have been able to survive if oil was not brought here to south Louisiana?

ST: Well, number one, the oil industry and its associated services, it's a big component of the economy down here, and if it wasn't for that, your employment would really be—unemployment would be very high, because your sugarcane industry and your seafood industry couldn't absorb the amount of people that you had down here. They used to have a saying, they'd graduate from high school and they'd give them a diploma and a Greyhound Bus ticket all at the same time.

But with the oil industry and the associated services, I might be wrong, but you know, the oil industry is big and you think of oil industry, you think of, you

know, your Shells, your BPs, Exxons and all that, but that is really a small part of it. It's the service industry, the boat rental companies, the tool companies, yes, all of it. Right, everything else around.

See, these oil companies, they own very little. All they have is just really leases and stuff, and they subcontract everything out. They don't want to own all this stuff. They don't want the liability associated with it.

JT: At one point, I mean, they did. At one point—

ST: When they first started, right.

JT: Things a little bit cheaper in Africa and the North Sea as far as doing business and opportunities.

ST: Well, no, but they're busy over there as well as here. In other words, you still have your Exxons and your Chevrons and your Shells and your BPs and all them, they're still busy here in the Gulf. But this is just one component of their worldwide operations, and the same service industries that are servicing here are servicing in the North Sea, in Africa and everywhere else. You can go all around, and you will see Schlumberger, you'll see Halliburtons, you'll see Baker Oilfield, Baker-Hughes and these companies. Wherever the oil is around the world, they're there also.

JT: Let's talk a little bit about that because I'm kind of interested on your perspective about energy. You've been in the industry for forty years, you own your own company, very successful at adapting as the changes have occurred here. What is your impression of our energy problems that we have today, that we've had in the past? How has our country, in your opinion, particularly our federal policy—what do you think about our energy policies and some of the options that we may or may not have as far as finding reserves or finding alternatives?

ST: Well, number one, they need an overall energy policy that covers everything from the amount of fuel that these vehicles burn on the road, which everybody seems to think this is the biggest consumer of petroleum products, to generating electricity. I'll give you an example. In electricity, let's see, it costs 1.21 cents per kilowatt hour to make electricity with nuclear, it's 2.something to make it with coal. Then from coal it jumps up to 5 something per kilowatt hour, and then to gas or diesel fire it jumps up to 8 something cents per kilowatt hour to produce it. So they need to get an overall energy plan.

They need to encourage more nuclear. They need to encourage this ethanol. They need to—and then they complain about these profits that the oil companies that are making. But as far as for a percentage of their investment, it's a smaller percentage than what your GMs or your other people make, you know.

It's small. It's a lot of money, but it's a small percentage of the overall of the return on their investment that they have.

JT: Well, what about the fact that the Gulf of Mexico provides—I'm not sure what the latest figures are, but it's upwards in the 40 percent of our nation's oil and gas domestic consumption. Why has that not led to developments in other coastal areas? It seems the Gulf of Mexico has really been the only place where this type of development and exploration and activity has taken place. We've got this coast of California, Florida, East Coast.

ST: Well, the environmentalists on the California coast, the environmentalists on the East Coast, and environmentalists around Florida have blocked all of this. But if it gets up to where they're paying five dollars for a gallon of gasoline at the pumps, why, they might think a little bit different about that.

JT: Is that what it's going to have to take?

ST: Oh, I don't know. I just grabbed a figure out of the air. But you've got, in other words, these environmentalists are under the perception that your offshore oil activity is a dirty, trashy business, whereas we know differently because we'll go out and we fish and dive on the offshore structures. If you ever dived down there, you see there's just fishing all the way up and down. The whole food chain is

right there. But they've had some spills in the past, which were terrible, but they have—and their technology has increased. When's the last time you heard of a spill anywhere around? It's been quite a while. They've learned and increased that, improved that technology.

But these environmentalists are still hanging on to some old thoughts, just like the nuclear. They think Three Mile Island, that's the worst thing in the world. When you really get right down to it, what happened at Three Mile Island? It didn't hurt a soul, you know. But yet they throw up all sorts of—there's always a knee-jerk reaction in Congress. They throw up all sorts of instant regulations and roadblocks that stop things, you know.

In this country, the pendulum swings all the way from one side to the other side. They can never find a happy medium, and that's what has happened with nuclear. That's what's happened with offshore drilling and it will happen with ethanol, same thing, you know. There's already squawks about the subsidies that are paying, that they're paying for ethanol. Well, then, it's going to swing from here all the way over to here. They won't, they can't seem to find a happy medium on anything in this country.

JT: Well, what about the Gulf of Mexico? It's that problem that we're talking about has essentially forced companies to move into deeper water stuff, two hundred miles offshore, a few thousand, four or five thousand feet of water. It's taking a lot of time.

ST: No. What has forced them is that's where the big pools of oil are. Through their geophysical work, they have found that this is where the big pools of unproduced oil are, or new oil is located. They've drilled all up and down the East Coast and they know what's out there. They're just sitting and waiting to whenever the demand gets there and the price gets up to where they can justify going out there and doing it. The environmentalists are hurting enough to where that five dollar a gallon of gas just is killing them, then they'll realize that maybe we need to do some drilling up off of the East Coast or off of Florida or off of California.

JT: I mean you've seen the business come and go. At one point, the area moving off of the inland groundwater stuff into the shelf, so you experienced that ten, fifteen year transition. Now they're moving from the shelf because it's not as lucrative or maybe it's not a whole lot left.

ST: Yes.

JT: And moving into the deep water, what are some of the things that we can be looking to happen here in the next ten, fifteen years as this new technology moves deeper and deeper. I mean I think we're seeing it right there on your dock with the hundred and ninety foot crew boat.

What are some of the other things that we can expect as this next transition happens?

ST: Well, we're in the process of it happening. It's not a transition anymore. It's actually going on and we're experiencing it. It's like in the workboats. I read just the other day where Swiss and them are building some about three hundred foot workboats, three hundred twenty-six feet in length, so they were—anyway, it's just bigger and bigger equipment to handle the rougher sea conditions that you have out in the deeper waters. So I don't doubt that we'll end up one day with two hundred and twenty foot crew boats or bigger. You just don't know. Whatever.

Naturally, people such as ourselves and the Breaux and everybody, as the demand grows for the bigger boats, they're going to do everything they can to build a bigger boat and, you know, build whatever the customers demand.

JT: And the technology and experience here in south Louisiana with people like yourself and some of the other folks that we've mentioned, so if anything's going to be done, it's going to be done in these parts.

ST: Oh, I would think so.

JT: These sons are the sons of the fathers who started these companies.

ST: Most of these are all mom and pop businesses, yes, they really are, just like in the rental companies. Most of those are all mom and pop businesses, other than your SEACOR and your Tidewaters. But like Mr. McCall's business was a family business, you know. It's all family-type businesses.

JT: Now, what about intrusion from foreign competition? Is that something that's on y'all's radar screen? Is it something that y'all talk about or look at?

ST: All right, now, are you talking about in new construction, or are you talking about in the—

JT: In new construction, in old construction, in anything that's marine transportation related.

ST: We have what's known as the Jones Act in this country. Okay. And the Jones Act protects us in that any boat that's doing coasting trade has to be a U.S. flag vessel. By that, it has to be built in the United States. That also affects Mr. McCall and them, because they are operating in the United States. So if—I can't think of, but if somebody had a two hundred foot crew boat that was built in Singapore, let's say, and if it wasn't an ABS class vessel or some classed vessel, they could not bring it in the Gulf and work unless they had a special exemption

or a special act of Congress. This is one thing that scares everybody because Congress is issuing these special acts more and more all the time.

JT: Really?

ST: Yes, and it's just a matter of who you pay off. But that is a problem.

JT: I wasn't aware that there were some boats that were making their way to here.

ST: Oh, yes. Yes. But every one of these has somehow got some influential congressman's attention, and they have a—they can come work here, and each one of them requires an act of Congress, but they get them here.

JT: Is it for a specific time limit or a specific job, kind of like the migrant workers?

ST: Yes, that I don't know.

JT: But isn't that how things begin?

ST: Yes.

JT: Limitations, limitations, and then before too long—

ST: They start stretching those out.

JT: Those limitations are removed.

ST: Yes.

JT: I wasn't aware of that.

ST: Yes. It's a problem.

JT: You got to elect the right people, I guess, huh?

ST: I don't know if that's the—yes. What do you call the right people? Anytime someone like Hillary Clinton has to raise a hundred million dollars to run for president for a hundred and fifty thousand or two hundred thousand dollar a year job or likewise a congressman who only gets a hundred and fifty thousand dollars a year and has to raise four and five million dollars to run, something's wrong. Yes.

JT: Since we're on the subject of politics then I'll ask you this last question, Mr. Tibbs. What about the strange role of Louisiana politics as it relates to your

business? How has that relationship developed? What are some of the things that you've noticed good or bad about politicians and how they treat your business and the oil and gas business in south Louisiana?

ST: Oh, well, our politicians are—most of them have been raised in this environment, so they are oil and gas friendly and the associated industries, you know. In other words, if we have a problem, we can go to our congressmen, and they'll work with it. Mr. McCall and them have a problem, they can go to their congressmen, and they'll work with us. But these, their constituency is of the frame of mind that oil and gas is good.

But now someone like Ted Kennedy, his constituency thinks oil and gas is bad, so he's going to think oil and gas is bad, you know. It just depends on where they're from and the circumstances under which their constituency exists.

JT: What about some of the environmental problems? Then we'll wrap it up here. Some of the liabilities that are being associated with this activities, the coasts, Valdez, some potentials for environmental hazards, how does that build into your final project product, final design and manufacturing of your boats, some of those problems?

ST: Oh, everything that we do on the boats, you know, it's all Coast Guard regulated and you—they have all sorts of things that they're constantly adding to their boats

to make them, I guess, it's safer or where they won't spill oil or gas. No, that's an ongoing evolution of design. In other words, years ago, you didn't have anything on a boat. Now around every fill, every vent, you have safeguards where you can't have a spill out. If it spills out or anything, it's contained in a certain area. Let's see, bilge systems. A lot of people now are having to put centrifugal strainers in their bilge system to eliminate your oily sludge from your bilge out of anything that you pump overboard. It's an ongoing thing. And it's not bad, you know. There's nothing wrong with that.

JT: But I mean does that—I imagine that adds to your costs?

ST: Oh, oh, everything is going to add to the cost, but that's just something that we have to live with.

JT: As long as that price of a barrel of oil stays particularly high, it will works its way—

ST: Well, yes, because, like Mr. McCall and them, I mean they're the ones that have to bear the brunt of all of these ecological changes because it's not only do we have to build it onto the boat, they have to train their crews to be aware of the environment and stuff. The paperwork that's added on to them, I can just imagine what that is, the reports and everything that you have to fill out like every time to

pump on fuel, pump off fuel, or pump your bilge. In other words, you've got to have reports on everything nowadays. So it not only adds to the cost of the boat, but it adds to his operational cost.

JT: Very, very interesting. Thank you, Mr. Tibbs.

ST: You bet.

JT: Appreciate it.

[End of interview]

[Edited by Jason Theriot, 10 May 2007]