

PASHA PEOPLE



The Pasha Group News and Information Source

Volume 16 Spring 2015

President's Message

This newsletter has always been about the Pasha People and how they contribute to our growth and sustainability. Today we can see the efforts of not only the Pasha Hawaii team, but of the many unsung heroes from our various business units who came together as one to see *Marjorie C* launched. On March 22, we celebrated the 10th anniversary of *Jean Anne's* Maiden Voyage from San Diego to Hawaii, an event that also recognized the significant role played by a unified team of Pasha employees. Our entry into service was an instant success, as we were able to provide the only modern pure car/truck ("PCTC") roll-on/roll-off carrier in the Mainland/Hawaii trade lane.

This year our largest capital investment to date will begin to add to our success and, we trust, provide tremendous value to our customers as well. Soon we will increase our service frequency between the Mainland and Hawaii, made possible with the onboarding of *Marjorie C*.

The service will be supported by our core team of Pasha professionals, much as we began our Pasha Hawaii chapter. We welcome a mix of new but experienced Pasha Hawaii crew members, on the ships as well as ashore. We are also joined by a new strategic partner, the Norton Lilly organization, who will assist in various areas of vessel planning, equipment management, transaction processing and customer service on the Mainland and Hawaii.

Substantial effort has been expended to assure a smooth beginning. As a Jones Act ocean carrier, we are able to deliver efficient, cost-effective ocean services between the Hawaiian Islands and the U.S. Mainland. Constructed in the U.S., manned by U.S. crews, with state-of-the-art technical capabilities, our ships provide streamlined, environmentally friendly capacity to the trade. We take pride in knowing that well-trained employees offer quality customer service to the people of Hawaii. *Marjorie C* is a testament to the value of the Jones Act. She created hundreds of full-time, well-paying jobs to the men and women in Mississippi who sacrificed much to build the vessel, and long-term jobs for the seafarers who will assure safe passage for themselves and the cargo they carry for years to come.

The home port of *Marjorie C* is Honolulu. In the spirit of family, she will be well looked after by my grandmother, Marjorie C. Ryan, as well as my father, George W. Pasha, III. My mother, Janet Marie Pasha, with the remarkable support she brings to our immediate and extended families, helps us carry our family legacy forward.

George W. Pasha, IV

Marjorie C Enters Service





sister ships in Croatia at Uljanik Shipyard and another five in Korea. Pasha Hawaii immediately contacted its technical team at SeaTechnology (USA) Inc., a key partner on the *Jean Anne* project, to travel to Croatia to secure the design and prepare bids for construction of a sister vessel.

Bids were sent out in late 2010. VT Halter Marine ("Halter") won the contract based on its price and proven track record with Pasha Hawaii. Halter built *Jean Anne* and many of its senior executives were key members of that team. During this period in late 2010 and early 2011, initial financing was secured and a shipbuilding contract was signed.

The strategic vision outlined in mid-2010 is now coming to life. As *Marjorie C* begins service and cements Pasha Hawaii's position in the Mainland/Hawaii trade, the third chapter is on the horizon. The original business plan developed back in 1999 is culminating in a strong and vibrant company that will serve the Hawaiian Islands for many years to come.



Evolution of the Marjorie C

The entire Pasha Hawaii team welcomes the newest member of the fleet, *Marjorie C*. Launched in August 2014, she now enters into service. We invite you to follow her journey from concept to delivery.

Since its creation in 1999, Pasha Hawaii's vision has always been to build at least two ships for the Mainland/Hawaii trade lane in order to offer increased service frequency to our customers. In early 2010, after five years of exemplary service by *Jean Anne*, it was time to focus on the next chapter in the Pasha Hawaii story. An extensive search was conducted to identify various types of roll-on/roll-off ("Ro/Ro") vessels worldwide. The project resulted in two primary scenarios. The first option was to build another pure car/truck carrier with similar or greater capacity. The other option was to build a combination container/roll-on/roll-off ("ConRo") vessel. The ConRo was selected because it enabled Pasha Hawaii to not only offer increased Ro/Ro service to its existing customers, but to diversify its service offerings by entering into the much larger container market and expanding its customer base.

The first order of business was to find a proven design and a shipyard to build it. Grimaldi Lines, based in Italy, was in the midst of a new building program for ConRos to support its Europe and U.S.-to-West Africa trade. Grimaldi built seven



Photo: HELF



Photo: E. Richards

Enhancements for the New Sister Ship

In the development of the *Marjorie C*, state-of-the-art modifications were made to the design of the successful series of sister ships delivered by Uljanik Shipyard in Croatia to Grimaldi Lines through 2011. These enhancements are unique to the *Marjorie C*, equipping her with a set of specialized features and capabilities. Here's a closer look.

Cargo arrangements

The container stowage plan on deck 6 was completely reconfigured to allow higher stacking heights, and all bays were rationalized for better handling of FEUs rather than TEUs. This provides after bays with layout rationalized for loading 45' containers and allows for longitudinal stowages for all containers.

The design was upgraded to allow carriage of up to one-hundred-fifty 40' reefer containers, with fifty each on decks 1, 3 and 6. The layouts include planning for improved access to the container ends for in-voyage maintenance.

Liebherr cranes were provided with larger capacity hydraulic power packs to increase the speeds for luffing, hoisting and slewing, enabling faster cargo handling. The cranes were fitted with Kaup container spreader frames to shorten the handling cycle of lifting and setting containers on deck 6.

Machinery and propulsion arrangements

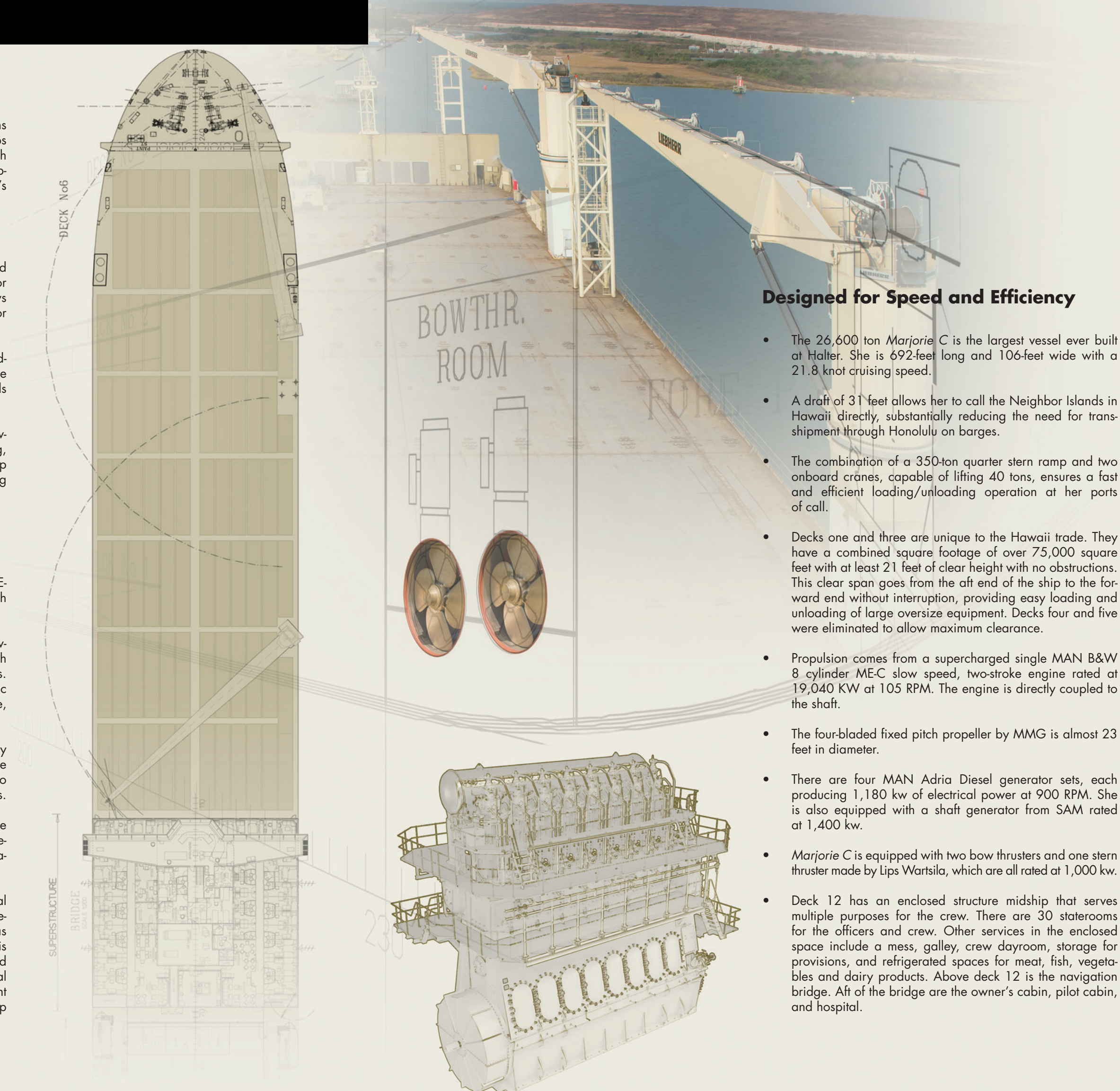
The main engine was upgraded to an MAN B&W 8 cylinder ME-C* type, providing compliance with U.S. EPA regulations and with electronic control functions.

Fuel systems were extensively modified for use of the latest low-sulfur heavy fuel oil and alternatively marine gas oil to comply with the rules effective in IMO and U.S. EPA Emissions Control Areas. The upgraded fuel supply arrangements allow for a semi-automatic switch between heavy fuel and marine gas oil for the main engine, the four auxiliary diesel generators, and the oil-fired boiler.

In addition to utilizing an energy saving shaft generator driven by the ME as part of the main shaft line, the control system allows use of the fixed pitch propeller, offering 5% fuel savings compared to the controllable pitch propeller utilized on *Marjorie C's* sister ships.

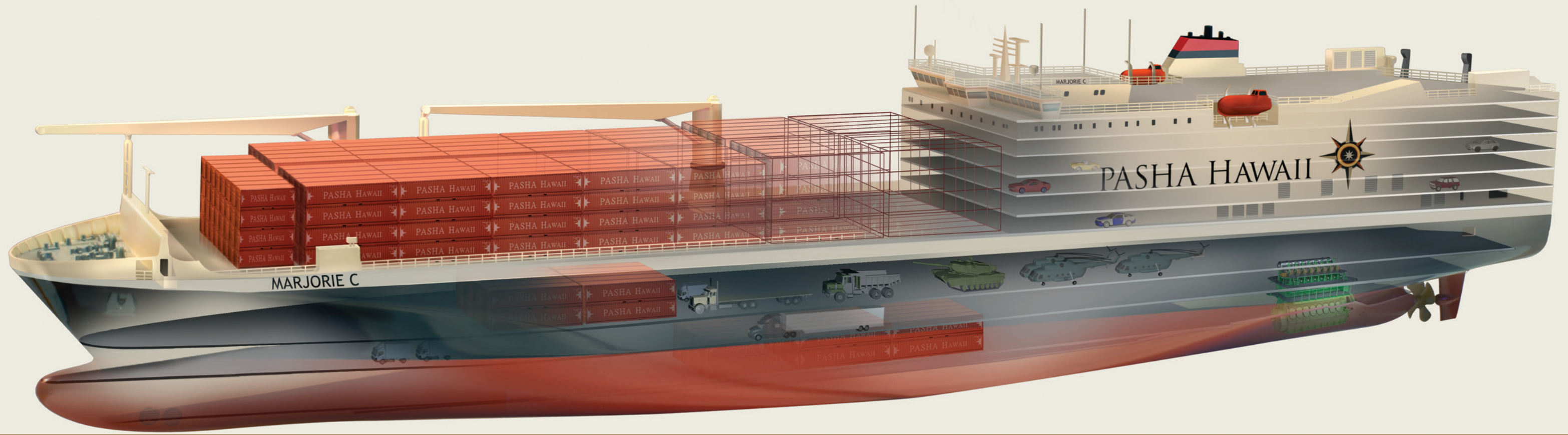
Externally, the hull anti-fouling system has been upgraded to utilize the Intersleek system. This ultra-smooth coating provides for a five-percent reduction of fuel consumption compared to standard ablatively self-polishing anti-foulings.

Compared to earlier Ro/Ro vessel and PCTC designs, the additional class notation NAUT-OC has been applied, which provides a state-of-the-art wheelhouse and bridge arrangement, as well as centralized communication between the navigation equipment. This incorporates improved ergonomic design requirements and nautical safety arrangements surpassing any governmental requirements. The result is a better bridge management environment and increased safety of navigation, communication, and ship operations.



Designed for Speed and Efficiency

- The 26,600 ton *Marjorie C* is the largest vessel ever built at Halter. She is 692-feet long and 106-feet wide with a 21.8 knot cruising speed.
- A draft of 31 feet allows her to call the Neighbor Islands in Hawaii directly, substantially reducing the need for transshipment through Honolulu on barges.
- The combination of a 350-ton quarter stern ramp and two onboard cranes, capable of lifting 40 tons, ensures a fast and efficient loading/unloading operation at her ports of call.
- Decks one and three are unique to the Hawaii trade. They have a combined square footage of over 75,000 square feet with at least 21 feet of clear height with no obstructions. This clear span goes from the aft end of the ship to the forward end without interruption, providing easy loading and unloading of large oversize equipment. Decks four and five were eliminated to allow maximum clearance.
- Propulsion comes from a supercharged single MAN B&W 8 cylinder ME-C slow speed, two-stroke engine rated at 19,040 KW at 105 RPM. The engine is directly coupled to the shaft.
- The four-bladed fixed pitch propeller by MMG is almost 23 feet in diameter.
- There are four MAN Adria Diesel generator sets, each producing 1,180 kw of electrical power at 900 RPM. She is also equipped with a shaft generator from SAM rated at 1,400 kw.
- *Marjorie C* is equipped with two bow thrusters and one stern thruster made by Lips Wartsila, which are all rated at 1,000 kw.
- Deck 12 has an enclosed structure midship that serves multiple purposes for the crew. There are 30 staterooms for the officers and crew. Other services in the enclosed space include a mess, galley, crew dayroom, storage for provisions, and refrigerated spaces for meat, fish, vegetables and dairy products. Above deck 12 is the navigation bridge. Aft of the bridge are the owner's cabin, pilot cabin, and hospital.



Working on the New Vessel

A few Pasha Hawaii team members had an up-close experience witnessing the evolution of the *M/V Marjorie C*, from installation of the main engine to the commissioning of all the machinery. Our crew has spent decades working on ships and conducting vessel repairs. However, being personally involved with the assembly of the new vessel provided them with a deeper understanding of the “bones” and of the ship as a whole.

“The most memorable moment for me was seeing the main engine start up for the first time,” said Mats Holmqvist, Chief Engineer. “It was thrilling to see the massive 25,533-horsepower engine come to life.” For Captain Greg Johnson, master of Pasha Hawaii’s *Jean Anne*, and Ulrich Piencka, Port Tech Superintendent, the biggest highlight was the launching of the vessel into the water in Pascagoula.

Photo: Olek Shulyayev



Mats Holmqvist



Ulrich Piencka



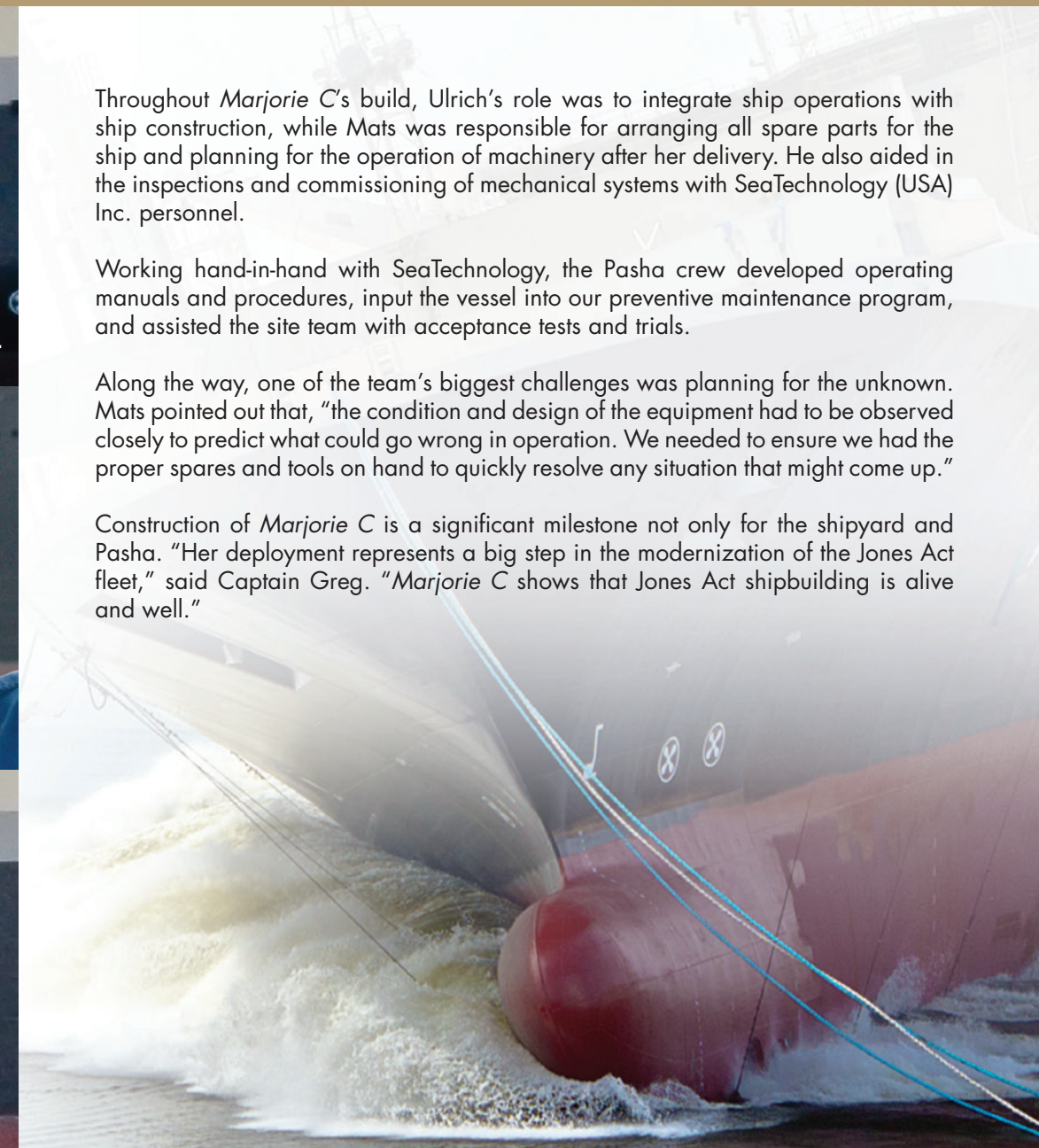
Captain Greg Johnson

Throughout *Marjorie C*'s build, Ulrich's role was to integrate ship operations with ship construction, while Mats was responsible for arranging all spare parts for the ship and planning for the operation of machinery after her delivery. He also aided in the inspections and commissioning of mechanical systems with SeaTechnology (USA) Inc. personnel.

Working hand-in-hand with SeaTechnology, the Pasha crew developed operating manuals and procedures, input the vessel into our preventive maintenance program, and assisted the site team with acceptance tests and trials.

Along the way, one of the team's biggest challenges was planning for the unknown. Mats pointed out that, “the condition and design of the equipment had to be observed closely to predict what could go wrong in operation. We needed to ensure we had the proper spares and tools on hand to quickly resolve any situation that might come up.”

Construction of *Marjorie C* is a significant milestone not only for the shipyard and Pasha. “Her deployment represents a big step in the modernization of the Jones Act fleet,” said Captain Greg. “*Marjorie C* shows that Jones Act shipbuilding is alive and well.”





Pasha People
A publication by The Pasha Group
Design & Illustration: RightSide Imaging
Photography: Ray Broussard, except where noted

Address Service Requested

Global Headquarters:
4040 Civic Center Drive, Suite 350
San Rafael CA 94903

(415) 927-6400
pashagroup.com
pashahawaii.com

Our name stands behind every move™

Financing Amidst Economic Downturn

From a lender's perspective, a vessel like the *Marjorie C* is like financing a large building. It has a long life, so it is an attractive opportunity to lenders who have a long-term view for their investments, such as insurance companies. However, construction-period financing is separate from longer-term takeout financing and is often more difficult to secure as there is higher perceived risk.

When Pasha Hawaii signed the shipyard contracts for the construction of *Marjorie C*, capital was difficult to secure in a still-struggling economy. As the company sought financing, the strong viability and long-term prospects of Pasha Hawaii became important factors in the creation of a successful financial strategy.

"We were very happy we were able to secure shorter-term vessel-construction financing with Bank of America while a consortium of lenders led by Prudential Capital Group, an arm of Prudential Insurance, provided the longer-term vessel financing," said Jim Britton, Chief Financial Officer.

"The *Marjorie C* was a substantial investment for the company to make at that moment in time," added Britton. "I truly appreciate that we were able to make a commitment that generated so many man hours and created job opportunities during a tough economic time for U.S. shipyards."



MV MARJORIE C