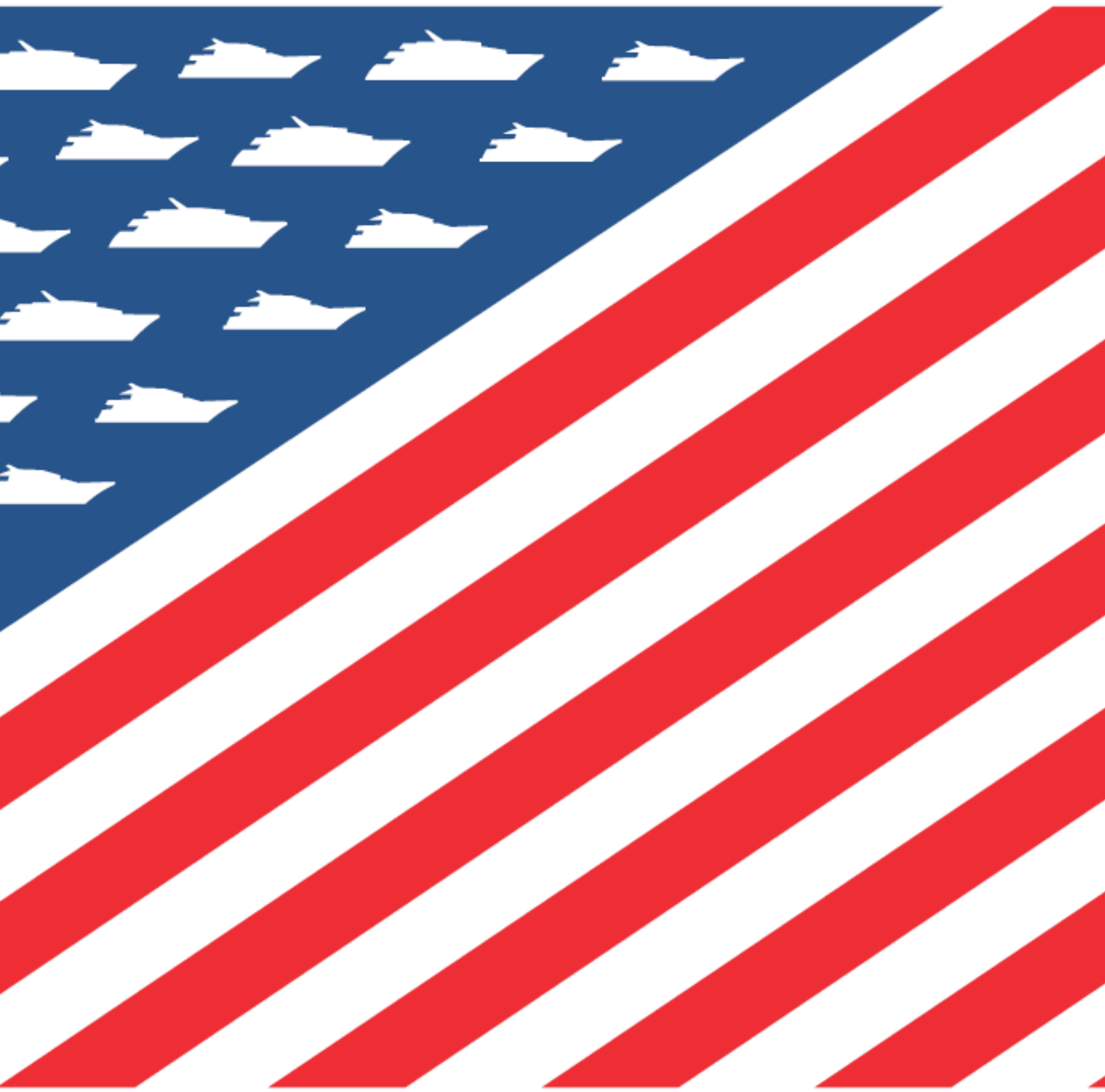


# Superyachts

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# AMERICA

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★ A GREAT YACHT BUILDING NATION ★

## The American Superyacht Industry: The Future

Fort Lauderdale International Boat Show

27 October 2011

# The United States of America... ... a great yacht building nation



Martin:

Good morning everyone and welcome to our American Superyacht Forum follow up discussion. There are a few things we will see today and probably talk about why we need to do something about it, so I'm hoping we can try and plan out how we are going to do something about it. This is the whole point of the meeting today. Following a meeting with Carlos and Kristina in Monaco we just quickly produced this little document for the Fort Lauderdale Boat Show. We have included some interesting opinions on that - mainly our opinion on what needs to be done and some of the comments about how great America can be. 10,000 copies of this have been distributed worldwide to promote this wonderful new flag, so that's my gesture to build America, and I hope we can all succeed. The presentation.

We created an American Superyacht Forum - A Task List which involved economic impact studies, advocacy professionals and destination America lets call it - or "Come Sea Us". Come Sea US or come see us? But the four things on this task list we discussed today and we will have time I hope for some questions and answers. Within the Superyacht Group we have a division called the Superyacht Intelligence Agency who have been scanning the market for the last 20 years, we basically track data on the whole marketplace from new build to brokerage charter and marina industries. And we did a very quick market study - they normally take a year to two years to produce these economic impact studies and essentially we fast-tracked this for the purpose of delivering the full economic impact study in 2012. But the first part of the economic impact study will be delivered at the Global Superyacht Forum next month which you will see some quite interesting facts and figures.

I will give you a little snapshot of it today. When you consider where we have come in the last 20 years in the industry it is quite powerful numbers. 1400 yachts in 1990 in the fleet. Today it's over 4300. This is over 30 metres remember. So there has been some fairly rapid growth. However America has 21 per cent of that fleet today, which is still quite small considering the scope and the size of America and the American market. The current order book is 10 per cent of the order in America.

Right. These are just some of the things that I want to make sure you understand. First of all the things I have just mentioned. 45 yachts, give or take, in America is the current order book, which I think is quite small considering what happened in the past with some of the bigger American builders. When you consider some of the facts and figures around the wealth statistics in America there's a lot of work to be done.

What we did find out in our American impact study is that the American industry turns in around \$5.7 billion USD. The majority of that is the supply chain. 54 per cent of that is the supply chain number, so it's a global supply chain coming from the US. These are interesting numbers from the fact that the total turnover the industry has to make is about €15 billion Euros or about \$18.5 billion USD. But impact - we estimate globally that the superyacht market as a whole, that's including everything the superyacht market impacts globally, is about \$60 billion USD. This is what crew



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spends, this is what employees spend on local economy, and this is how the statisticians and market analysts produce data.

They look at A) who is employed by the marketplace and what impact those yachts have on their cruising patterns, and they also look at the individual spend locally to their own economy. When you collaborate all of that together you get some very exciting numbers. All of this will be presented at GSF, I will give you a little snapshot here.

So with a \$5.7 billion turnover, what we reckon our best estimate today, are 28,000 or more direct employees in the USA. Now that doesn't include US crew and it doesn't include day workers, which are not on a payroll or salary scale within this industry. That's quite an important fact cause that can in fact probably add another 10,000 - 15,000 people alone. So the governments and the various legislators need to know some of these figures, which I'm sure we will talk about later on today.

This little map which we have produced, which is in this document if you cant read what's on the screen, is a facts and figures map which I'd like to just point out to you guys. In very simple terms, these are the main states, the top 15 states by Ultra High Net Worth Individuals (UHNWI's) and this is where the wealthiest people in America live. This is probably where the biggest potential is for America to grow its superyacht industry. Everyone's looking globally, but I think your opportunity is more close to home. That's my opinion but that is something to be discussed as a fairly important factor.

When you have 9870 people in California alone who are worth in excess of \$100million USD, that's an incredible number to go after. There is other things I want to say later on, but Billy's talked about the labour impact cause that is a fairly major employer of the market and there is other slides to go through. Billy please...

**Billy Smith:** Good morning. The labour impact when you look at these yachts floating out there of each vessel of the 150ft size and above, you're talking hundreds of hundreds of thousands of man-hours. These are not entry-level jobs. You're talking about very skilled workers - pipe fitters, welders, electricians, and carpenters etcetera - not including everything that you are buying and installing on the vessel. We're talking direct man-hours who'll run 2,000 - 5,000 man-hours on these vessels. When you consider these 2,000 man-hours in a given year you can do the math and see how many employees each vessel requires.

What we've been forced to do, during the recession, the lower right, you will see there is a vessel on the left side that is in the swift that is a patrol boat for a Middle East nation. You'll see two tugs being christened by Senator Roger Wicker's wife. And then you'll see a 199 ft yacht, which will be delivered early next year. The labour that goes into those boats, because all those boats is built to either ABS or Lloyds, it's the same skill level. So we've been trying to maintain that workforce by going out to other markets that have been successful in that recently. We had a non-compete that did not allow us to build anything but yachts until 2010. Now we are going after other markets that require the same level of skill as yachts require.

Its interesting, the patrol boat is for a foreign client, the yacht is for a foreign client, the tugs are for a US client because since they are working in the US they're protected by Jones' Act. I know there has been a lot of discussion about Jones' Act but the fact is those tugs would have been built in China had we not had Jones' Act Protection. And we have just shipped a yacht to China and they will be paying roughly 48 percent VAT import duties etcetera. We do not have that when Chinese goods come into the US, so as you can see the playing field is not level when it comes to what we pay in labour and the import duties and things like that. But its amazing how much labour goes into these vessels and the good thing about the yacht market is that because it's a luxury product, the clients are not simply looking for the cheapest 150ft or 200ft they can buy. It's all about value. So they will pay additional



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money to build in Germany or Holland, Italy, the US over building in a Third World country because of the perceived value. And that's one thing that the yacht industry has to recognize and the governments has to recognize is that these are manufactured yachts where you can't compete on a worldwide basis because of the market that you are in.

We cannot compete with the Chinese when it comes to simple commercial products but we can compete with them when it comes to luxury goods that require a lot of design, a lot of innovation, things like that. The labour component on any of these boats is huge, and this whole idea "The One Per cent". If we wipe out the 1 per cent, it is not going to help out the 650 workers that we lay off because it is not politically correct to own a yacht right now. They will still enjoy their money; they will just enjoy it in some other fashion. But then these guys that are working in our yard will not be building these magnificent vessels anymore and it will be a real shame if you have blue collar guys loose their jobs because it is politically incorrect for somebody to enjoy their wealth. I don't get it.

These boats are generating much more jobs than these owners realize and the press realize. So it's very important that when they go after the rich people, all of our owners, with the exception of four out of 61, only four of the clients actually inherited money. All the rest are self-made. That's first generation self made money and I think it's a shame that they are not allowed to enjoy their money and employ people in the US or Europe for that matter, but in developed countries, where you can still maintain manufacturing.

I think that's the key thing for the yacht market, is that its one of the few areas that you will maintain manufacturing in a developed country where it is not so cost sensitive.

Martin: Thank you Billy. Carlos?

Carlos: Well I'm excited to be here today to talk about this. I've attended quite a few American Superyacht Forums and Global Superyacht Forum and over and over again we would talk about 'this is what we need to do' and we seemed to be reiterating the same topics. Finally at the last ASF we sat down on the last day and said lets actually to something about it and let's put a deadline upon ourselves. That way we can report that we actually have accomplished something by the Fort Lauderdale Boat Show. I've very happy to say that Martin has kept our feet to the fire as we kept his feet to the fire. Together we collectively came across and here we are happy to report a lot of progress and I think you will also see from a lot of the other speakers the direction that we are going.

The first thing in our industry that we have to work on is our professionalism. We have so many opportunities and if we would just work together, work to maximize those opportunities, and to also work together against potential threats that arise, such as what Billy was discussing a few minutes ago, then we could make a lot of progress.

The way to do that is through the Associations. Over and over again at these forums we talk about how the Associations need to get more involved and I'm happy to say that the associations are working much better and closer together with a clearly defined mission, with strategic cooperation.

Our mission really was developed by a gentleman in the back, Theo Hooning with SYBAss who, when I took the Executive Director position told me how it is to run an association. And he always went on three principles. They were professionalism, promotion and regulation. That is the message that I have been taking to the MIASF and also the message that we have been working closely with the USSA and with other associations so that when we are all working at either the local, state, national or international level, that we are all singing from the same hymn book and it's easy to figure out where the lines are drawn and who takes responsibility at what point. At what point do you go from the US Association for example, and go up to ICOMIA to deal with an issue and it's really worked out very well.



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I think that you have seen a lot greater cooperation between all the associations. So the Associations must first act professionally before we can expect our members to act professionally, and I think that is the first thing that we have done.

Then the other part, at least with MIASF, is that the strength is not in paying staff to run these associations; it's really in the strength of the volunteers. How strong can you get the major industry players to take an active role in whatever the issue may be - can you get them? At MIASF we were able to divide up into 12 functioning committees and the members themselves run the associations. The executive director doesn't really set any direction or make any decisions, its really run by the members themselves and its really worked very well.

Once the associations are working then we have got to figure out what we are going to do and how we are going to take that professionalism to the industry participants. That is one of the committees we have at the MIASF is on professionalism and developing a code of conduct. I know that it's a difficult process but we all must first agree on how it is that we are going to act. What are acceptable ways of doing business? All of us know people in our industry that don't conduct business professionally and yet we tolerate it and say "that's just the way it is, yeah I know, that's just the way he acts. That's bad for all of us. That person when they alienate a customer and then that person says "You know what, I'm sick of yachting, I don't want to go yachting anymore," and then goes and buys a house in Aspen or go do something else - that impacts all of our jobs, all of these blue collar jobs that Billy was talking about are impacted by so many owners that are led astray.

Code of conduct is something that we are working on that we all need to come to an agreement on and say, "Yes, these are the general ways that we are going to conduct ourselves". That leads to a professional standard. The same thing, whether you are an electrical contractor or a builder or a service provider, whatever it may be. We should all have, within our specific areas, professional standards in a way that the customers know at a minimum he's going to get a certain level of quality and reliability.

Then we have enforcement. That enforcement can be peer pressure, which is the strongest form of enforcement. Giving business to the people that are good for the industry, that are good to the industry, not necessarily people that are just good for your individual business. So these are all standards that the MIASF are working on trying to make a reality and continue to carry forward into the future.

Martin: Thank you Carlos. Corey?

Corey: Good evening everybody. My name is Corey Ranslem and I am the Chief Executive Officer at the Secure Waters Security Group. I wanted to introduce myself first because I wasn't at the first forum and didn't address this group. I've been in the Maritime Security industry for 17 years and the large yacht side of that for the past six years. On advocacy, I also sit on the Board of Directors with the US Superyacht Association (USSA), on committees at MIASF and work with Kristy as a co-chair of the Advocacy committee at the US Superyacht Association.

Over the last couple of years we've actually been pretty busy on the advocacy committee. I handle the regulatory side of the advocacy portion of the USSA and one of the things I noticed when I got involved in this industry is there was a perception around the world that it was very difficult to get into the United States. That these large yachts felt that it was almost impossible to get past the iron curtain of regulators to be able to get their boats into the United States.

So we have taken on this committee on the advocacy side - we have take a four pronged approach at tackling these issues with the regulatory side of it. The first thing that we needed to do was just to establish that working relationship on a national level with the different regulatory agencies. Its an alphabet soup of agencies: The US Coastguard, Customs and Border Protections, Immigration



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Customs Enforcement, Department of Commerce, Maritime Immigration and other agencies so they know who this industry is and the level of professionalism of the yachtsmen who want to come into the United States. That was the first challenge that we had to face.

The second thing that we need to do was to establish a working relationship with these different agencies so that we could be a conduit of information back and forth. If there were things that were happening on a regulatory side we could be that conduit and those experts for the regulators can come to us first. The same on our side. If the yachts or the industry were experiencing problems or issues, we could be the conduit to go to the regulators on a national level to be able to vet those issues.

The third point that we have looked at is to develop this model regionally through regional partners like MIAASF and others around the United States to develop these relationship with these same regulatory folks locally.

The fourth point has really been for us to truly integrate into that regulatory process so that we become a part of it. By the time a proposed rule making change or regulation hits the Federal Register, we're really too late at that point. We want to be at the beginning of that process so when customs or coastguard or immigration or MARAD has a proposed rule change that's going to affect our industry they come to us first, like the do with many of the other industries to be able to get our input and expertise on that. There are a lot of things that have happened since 9-11 and the large yacht industry has been part of the unintended consequences of some of those regulations. So we want to try to work to eliminate that.

I'll be happy to report that we have done a lot over the past couple of years that I have been on the Board of Directors. We have established relationships on a national level and in many cases on a local level with a lot of these federal regulatory agencies. We have made this process a little bit easier so that they kind of understand whom the market is. We have a really good line of communication that is open with the folks in DC to be able to have that open stream of information passing back and forth. When we have issues we get to the right people that we need to get to in DC to make sure that we mitigate and end the problems or issues that may have as far as large yachts entering into the United States.

One of the things; we just made a trip to DC a couple of weeks ago and the Federal regulatory agencies have agreed to be a part of our educational outreach. I can sit at seminars all day long and tell folks how to get into the United States as the agents and other people that work in the industry can do, but it's a lot better if we put someone from Customs and Coastguard up on that stand to say "We want you to come to the United States and its not as difficult to get into this country as most people think."

After September 11, just to give you a bit of background, the US passed a slew of regulations affecting maritime security and really did this in a broad swath at one time. At lot of regulations were passed after that. If you take the entry requirements to get into the United States versus other countries, it's fairly equal. If you put everything across the board and look at different points to get into different countries, it's fairly equal. The United States passed the regulations all at once; other countries have slowly added regulations over the past ten years. Now we're equal. So what we want to do is work with our partners on the regulatory side to go out to other boat shows domestically and internationally for educational forum, so that they can speak to the large yachts to say "Hey, here's some of the entry requirements."

Half of custom's job is the regulatory enforcement but the other half of it is to promote trade and that's really what we are doing by establishing our relationship with them. The agencies have been great. Once we explained the economic impact of our industry, they realized how big this industry



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was around the United States; that really changed the picture and has been very helpful for us as we continue forward to have meetings.

That is really kind of the final point of our regulatory agenda is to continue to have these guys involved as part of our educational outreach as we reach out at other boat shows, at other events around the world, so we can let all the other large yachts know that it is not as hard to get into the United States as you think it is, and here is some simple processes.

So that is one of the things over the next few years now. You will see more and more of coastguard, customs, immigration, MARAD, commerce involved in this industry from a regulatory standpoint.

Martin: Corey, thank you.

Kristina: Good Morning. My name is Kristina Hebert. I had the pleasure of being part of the American Superyacht Forum in May and it was really exciting to see so much enthusiasm. Yes Martin, let's start with you. We've all held our feet to the fire but I tell you a lot of you in the audience have held my feet to the fire and reached out and said, "I really should support this legislator. I can help you." As aforementioned, we just went to DC about two weeks ago. I am going to give you a perfect example; I don't know what the presentation says. I'm going to give you a perfect example of how this worked. We were going up there and I reached out to several of our members in different states and said, "We'd like an opportunity, we're going up on behalf of USSA. We want to educate some members, do you have some members that you are close with?" And I will tell you; I had several members reach out to me. One of them Jim Ruffalo in Wisconsin who said, "I'd love for you to sit down with my congressman Tom Stallworth from Detroit" He is a long time representative in the house, and we had a long, wonderful meeting with him and he knew about the industry. This was a representative that was teaching us. He was telling us about Burger and what it means to his constituencies to have that facility there, to have those jobs. Shortly thereafter we've come up with some issues and I'll explain what one of those are.

This gentleman, this congressman was meeting with Jim in his office the following Monday. I was able to reach out to Jim and say, "Hey, can you ask the congressman if he would be supportive of this?" The reason I said this as one example is because this congressman happens to be a ranking member on two very key committees.

That's what I'm talking about here on building key relationships. One is education and workforce and two is transportation infrastructure.

Had it not been for the American Superyacht Forum and this industry really coming together, I don't know that I would have been aware that Jim had that relationship with this congressman. That's what this industry needs to do.

Of the fifteen states that Martin mentioned under the UHNWTS, we have totally in our congress (the 112<sup>th</sup>), we have 435 members of the house and 100 senators. Just in those fifteen states we have 220 members of the house and 30 senators. Those are people that we need to know. We all need to have a relationship with them. Now that sounds like 'how are we possibly going to do that?' I mean, I have personally already lost my voice the second day of the boat show - of which I'm sure some people aren't really disappointed in.

Imagine if you're a representative, your voice can run out. That is because you can't be one voice. I need every single person here, no matter what your relationship is. That is what we are trying to do. We actually have a matrix. Unfortunately as of November 6<sup>th</sup> next year, some of those are going to change. Some of those we are happy to change, some we are not.



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But the number one goal, whether or not we have an issue, is to constantly build these relationships. They need to know we represent 20,000 jobs. They need to know that we are in the blue-collar workers, that this is not about the rich yacht owners. They need to know that we have professionalism. That we have a code of conduct and that we work hard. That is something that we are trying; to create the mechanism and, obviously as USSA, be that conduit to those legislators to represent that big boats are not a bad thing and what they represent.

Just a couple of the initiatives that we were talking about when we were up there, and believe me, I could go on and on for 45 minutes on each of these so I am going to speed right through and if you have any questions I am more than happy to answer them after.

The Department of Labour that are with the 'Long Shore and Harbour Workers Compensation Act'. How many people are affected by the long shore and harbour workers compensation act? Do you own a yard? Do you work in a yard? Do you go to a yard? Do you work onboard boats? You are affected. Legislation went through to exempt our industry from that. If you work on a recreational boat and define a recreational boat as one that is designed principally for pleasure then you are exempt. What that meant is that you no longer have to have duplicative insurance coverage. For my company, Ward's Marine Electric, we were paying 52 cents for every dollar of payroll on worker's compensation. It was duplicative, unnecessary and for all of you that have facilities, you were becoming the police. Legislation went through in 2009. The agency decided, 'well, thank you for the legislative update, now we have to implement it. Oh and by the way, we are going to implement it and we're not going to get the economic impact of the industry corrective. We don't think its really that big of a deal." They took away the footage and now we want to go to the documentation.

Basically the agency implementation is not only going to take away the intent of the Act but it could actually make it worse. That is something that absolutely affects all 28,000 of those jobs. Whether you're a builder, a yard or a supplier. We are reaching out to congress people. Congressman Peteroy sits on the committee of jurisdiction to say and write a letter to say, "We don't accept this". Tomorrow the Marine Industries is hosting an industry round table. We have five congressional representatives. Two democrats and three republicans. We're going to let them know that this is not acceptable and you need to rally for us. They understand the jobs. They are coming to the boat show on a Saturday. Just so everybody knows, we have representation from Allan West and Debbie Wasserman Schultz. We are the only industry in the entire land that can possibly get those two offices to come together, and guess what, they did! So if you have had trouble getting to your representatives; well if we can get those two, let me know. Because there is no greater challenge than them buying into it.

Regulatory duplication. I can skip through these, there are some issues, but I think the number one thing, without getting into all of the issues, the key is building the relationship. We need to know that if there is something that seriously comes after us, or that there is an unintended consequence, that we have 220 representatives and 30 senators. I don't care their party. I don't care where they are. They need to understand our industry and say "unacceptable". When the President make a comment about Nevada and the people who were behind on their credit cards and that they shouldn't go to Las Vegas; how quickly did he regret that? Well the next time I hear the word 'yacht'... We need to make sure they don't say that; that is, you should absolutely call the administration up on that. You should be appalled that they would attack your industry.

The last thing is that we don't have to do it alone. I had the pleasure of spending some time yesterday with the Government Relations Chair of National Marine Manufacturers Association. How many of you are familiar with NM & A. They are a huge powerhouse in DC. I had the privilege of taking this gentleman and showing him a real American boat yesterday. I was on a Trinity vessel. He said, "You've got to be kidding me." And he walked around - it was like we lived in different worlds. He stayed all day; he stayed until seven o'clock. He said, "You know, you guys really know what you are doing. It's a huge industry and I can tell you and promise you we are going to be working together.



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We are already laying out some ideas and some issues that we can do. Obviously working with our friends at ABRA. But really coming together and working with the marine trades.

When we were in DC for the two days we had ten legislative meetings in five states. We talked to the people from Washington with the agenda for Pacific North West Marine Trades from Rhode Island for MTA. We spoke with a lot of different members of congress about what is going on in their regions and what's important is that we have that national focus. So I encourage all of you to get involved. We need your support. I will make sure everybody has my card; whether or not you are a member of USSA or MIAAF, we are all in the industry. There is no line and I want to make sure we all help those contacts. Please let me know if there is anything we can do and I will make sure I help you in any way.

Martin: Thank you Kristina. Next is Charlie.

Charlie: I'm Charlie Petosa with Ocean Marine. And from the superyacht capital of the world, which is of course, Virginia. Come Sea US. What is that? What is our goal? Put simply, to get more boats here. More large yachts here. Whether it's to cruise for a year or two, which can be done. Maybe Donna can share a story with us later about the possibly there. More of those types of boats coming here. More boats are built here. More boats coming here for refit and repair. More boats here doesn't mean we want the whole world fleet to come here at one time; it just take a few more boats here to make all of us really healthy. So that's really our goal with the Come Sea US campaign.

How are we going to measure our success? We talk a lot in this industry about new builds, which is an indicator of health, and Martin spoke about it earlier. That's one thing we will continue to measure. However we will probably measure a lot of other things as well and Martin is setting the benchmark at this point so we will just use the stats. More boats are going to change some of those statistics for us. We do want to measure this and make sure we are making progress this time. Some of this is to be defined later on, but it won't just be new builds. It will be what makes sense for the collective group rather than just the builders. Although through the campaign, we hope people get the idea of building more boats here in the United States.

Where did we get "Come Sea US?" Patty from MTN, do you want to stand up now? Coming out the American Superyacht Forum we created a very small working group and Patty was part of that and we sat down at a meeting a couple of months ago and that came out of Patty's mouth and the group stood back and said, "well let's use that". It was almost that easy. So I thank Patty and the rest of the working group for coming up with the Come Sea US theme. We hope that gets attraction and if it doesn't we will certainly change it, but that's our starting point. We probably have a year or two of good material we can banner with that theme and campaign.

Is Lisa here? Lisa Greenberg? I haven't seen her. Lisa Greenberg actually ran the design process for us. She ran a small working group to come up with the artwork. Hopefully you all like it. So that was kind of our starting point. It's something to get excited about; I'm sure excited about it. I hope that you are too. So Come Sea US will be some of our main message - things that you see out there.

The plan itself. The plan is really going to be defined based on how many people get involved, how much money we earn to support the plan and what the group decides to do. We can do one thing if one person is involved and one person helps to contribute. Or we can do 200 things. It's really going back to volunteers and people getting involved to help drive this campaign. There are a lot of things up there on the list. All the typical things you see in a marketing campaign are up there on the list. We will decide, coming out of this session and based on who wants to get involved, what we can do. And we will do as much as possible. It's going to take hard work and it's going to take some money; you can't do much these days without money. We will be asking for help, both from a volunteer standpoint as well as money to help support the Come Sea US marketing campaign.



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To try and give you a better idea of what this looks like, you have probably seen the San Diego Superyacht Association adverts out there doing a very good job marketing San Diego. The Come Sea US campaign, in my mind is really a bigger version of what the San Diego Superyacht Association has been doing. They've been promoting San Diego, which is great and hopefully that brings some more boats to the United States and helps all of us. What we want to do is promote the United States in a similar fashion, but not just domestically. We really want to promote the United States internationally. You probably have been around the show at this point; it's been open for one day. Many of us have been here all week, and you can see many different international pavilions. I have yet to see a US Pavilion or US presence in an international show. We're all there and all have our companies represented there, but the United States is not out there promoting "Come See Us" - come see the United States of America. And that is something that the group will look at. All this stuff today takes research, time, money, but ultimately, that is probably where we need to get. Its not just placing some print adds and doing some social media campaigns, but getting out there and telling the world about the United States and getting a few more boats. We don't need the world fleet here next year, just a few more boats here every single year. That's really our goal here.

I was at the Annapolis boat show a couple of weeks ago (36:18) and it was interesting. There were a lot of large yachts migrating south at that time which was neat to see and certainly helpful for us in Portsmouth (36:32) which is clearly the superyacht capital of the world. (As a come sell). At the Annapolis Boat Show, South Africa had pavilion. They were promoting their country. These were not yachts they were promoting; they were actually catamarans, but good-sized catamarans. South Africa was at Annapolis. There are twenty examples of that through this show here, and you will see it at all the international shows. We really think there is an opportunity here to better promote the USA. Not just through shows but also through many different means, and that is what this group will be doing.

The timeline to get some of this stuff done. We hope to get you excited about it, to get some of the stakeholders involved over the next couple of months. To really ink a plan so it's very clear what we are doing. It's very easy to put social media ideas up on the whiteboard. Based on how many people are involved, how much funds are raised, what is the specific plan look like; that is going to be the next step in this process and we will be doing that over the next few months. There is some heavy looking into making sure our messaging is straight and artwork is straight and whether we are doing something through social media, or advertising, or putting together a show booth if that is appropriate. There is some work to be done and we really have some heavy lifting ahead of us over the next few months.

If we are able to make good progress; I hope that we are and I hope that you can all help us make that progress because it's not just going to happen without your help; the Antibes Yacht Show might be a great opportunity for us to do a soft sell or a soft opening to the campaign so to speak. It may not be a huge US pavilion that says Come Sea US at the top, but certainly there is an opportunity for all of us to have a presence there. Not just to promote our own companies, but to promote the US as a whole, which is going to be part of this campaign. Not only do we want to put the Come Sea US message out there in a specific targeted approach, but we hope that anybody in this room and any stakeholder that can win by having some more boats here, will overlay the messaging in some of their advertising, in your advertising, in our advertising as a group. That is something that can be very powerful as well and we can probably get that done a lot faster than we can get a booth at the Monaco Yacht Show next year.

Anyway, there is an opportunity with Antibes, I believe its in April next year, to really get our feet on the ground and make some good progress. If that all goes well, there is the rest of the European shows and we will see how things go. Hopefully we will all sit here one year later, next year, and report back on how many more boats are entering the waters of the United States, success stories of



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boats that stayed here and cruised, maybe a boat or two that decided to get a refit here rather than somewhere else in the world, or one or two boats that were built here rather than elsewhere. That's what we're looking at so far.

Martin: Thank you so much Charlie. Listen, I have a quick question. Do we know how many yachts visit the US? Do you have that sort of data? How many yachts have actually visited the US?

Charlie: I don't have that data.

Corey: We track through the coastguard the number of advance notice to arrivals and I know that South Florida is the largest. In this district I think it was 1,100 that entered in and had Advanced Notice to Arrival. That was a 2010 figure. I would estimate about 1,700 in the United States, including Puerto Rico and the islands as far as entries into the United States. That's just a rough estimate based on last year's figures but we can always get that from the Coastguard.

Martin: What do you think about creating some sort of target of what you want to increase that by? Possibly 5 - 10 per cent.

Corey: One thing, let me qualify that too; that's advanced notice to arrival, so the bad thing about that is it doesn't provide an accurate figure. It's not quantifiable. It could be one yacht that had ten Advanced Notices to Arrival in there. We would have to take the data with the Coastguard and say, "Ok how many actual yachts did that include." We need to do some more analysis with that.

Charlie: I think there is going to be some measurable things like that we will be able to really understand over the next few months and use as our benchmark. In addition to that, as a group, we are all going to say, "My business was at this point, now it's at this point and I know for a fact that this boat did not just come down from Newport to Portsmouth, or from Newport to Rybovich. This was a yacht that we got here. Hopefully some of the agents will be able to say "Through the campaign, hopefully we have two more boats that are on their way than this time two and a half years ago. Hopefully through a combination of good statistics and this group I will be able to say "my business is healthier as a result of this work."

Martin: Does anyone have any questions about what are doing so far before I do a bit of a conclusion?

Theo: Is there any initiative in starting a federal pack?

Kristina: I think that by going with what my Dad always taught me, "Crawl, walk, run." For me I would love to start that. I will say two comments to that. One: a Federal Pack; Does everyone know what that is? For example, the marine industries have a state pack. That gives you an opportunity to gather dollars. On a state pack you can right company cheques. And then you actually have a dollar value. So in addition to voting power you also have fundraising power at a state level. At a Federal level, I think that would be awesome, but it is very cumbersome. You are definitely talking about needing staff. There are a lot of rules that go with that but I think we have to put it out there. I think we have to put it on the one-year, two year, three-year plan and start now and think about that. How many people would donate to a pack? You could write a corporate cheque to a pack and then you would allow the governing body, which would be the Advocacy committee or whatever we come up with, to give money to federal legislators. Otherwise when we have fundraisers, I'm going to ask you to write a personal cheque for \$250. Whether or not you like that, whether or not that's a part of your party and whether or not you agree, if that's a legislator we need to support, it comes out personally. If you have a pack, the pack can give those cheques. How many people here would be supportive of that?



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The other thing, to go back, we don't have to reinvent this but in some of our discussions, the National Marine Manufacturers has a pact; they have a full time staff. They have nine people in their staff in DC. One of their staff members, all they do is run their federal pack. They've talked to us about maybe having a portion, it's not solidified but having a portion that would enable us to say 'hey these are big boat areas, these are big within these fifteen states, these are members that are important to us, can you manage it?' These are things we are working on and I would say that by May I would probably have that answer. But yes we have already started doing that. But since nobody here is going to donate then I'm not sure what we're going to do. (Laughter).

**Simon:** Hi, Simon Harvey here from Neurons to People Skills. Last year at the Forum on the ride back on the bus from Rybovich, I mentioned that why isn't there more boats chartering in the USA? There was one gentleman in the back that said "Huh, that'll never happen, it's just too hard to do". I have clients up in Virginia, which is on your numbers set, who could go out tomorrow and charter. She actually has decided that she is not even going to go to Europe for another couple of years because it is just too much hassle and she doesn't want to deal with it. But what choice does she have, or any other US resident, that wants to charter a yacht in the US, and maybe wants to be on a US flag yacht? How much choice do they have, and if they do have a lot of choice, can we see that in magazines?

**Kristina:** That's perfect because what I would say, and I'm sorry for putting on my Florida hat, my MIA SF hat, is 'come to Florida, have a tax cap of \$18,000, register it US and you can keep it year round. Here we have year-round boating and you can take it anywhere else in the US because it's US flagged. Obviously that's one option and I agree. Instead of saying 'we can't charter', or 'that Jones Act', because Billy just gave a great example of why the Jones Act makes sense for this industry and it is not all bad. We should be publicizing. What are the ways to boat, where can you flag it, what are your options and really offer a positive image. If I could just give you some information on Florida's tax cap; Tom Murray please stand up. Tom is the economist who is doing the economic impact study. Tom could you please give a quick snippet of how this tax cap works. Jeff Erdman, also stand up please. Jeff is the government relations' chair for the Florida Yacht Brokers who we worked with closely to do that. It is working that there are more yachts being purchased.

**Tom:** Tom Murray from Virginia actually. The yachting capital of the world. (Laughter). We were asked by the Florida Yacht Brokers Association (FYBA) and MIA SF in 2009 to try and project what kind of price point on taxes would provide a revenue neutral position for the state of Florida that allowed more boats to be sold and used in Florida without paying this six per cent tax. We did that and they put a cap on it of \$18,000. After one fiscal year the yacht brokers and MIA SF asked us to do a retrospective of what has happened in the industry since then. We're just finishing up the surveys and what were finding is (and this is a preliminary estimate). Right now the number of sales in Florida that have paid the state sales tax has more than doubled since the cap went in. The average price value of those sales has a little more than doubled since the cap came in. The reliance on other kind of short-term exemption programs 10 to 90 to 180 has actually reduced because there is more actually going into the cap sales themselves. What we are saying, preliminarily here, it looks very strong for what Jeff and his organization of others have supported here. There is a way of being fiscally responsible but also fostering the industry and activity that everybody in this panel wants to see. So come to Virginia (laughter).

**Corey:** Could I just follow up on the chartering really quickly? There are a lot of misconceptions again on the regulatory side when it comes to foreign flag yachts chartering in the United States. There are certain things that foreign flagged yachts can do as far as chartering in the United States and there are some affects on the Jones Act, there are some things that we are looking at from a regulatory standpoint. We are trying to see what we can do for foreign flagged yachts chartering in the United States. This afternoon at 4:30pm, to give a quick commercial plug, we are having a Captain's Briefing on that topic, on foreign flagged yachts chartering in the United States from an insurance perspective, from a legal perspective, from an agent and management perspective. To discuss some of those



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things about how foreign flagged yachts can charter in the United States. It's one of the items from a regulatory standpoint that we have on our agenda to see if there is something we can do with undercurrent regulations to be able to allow these foreign flag yachts to charter in the US and expand what they are currently able to do right now.

Charlie: One quick comment on that. When there is something to report, based on what Corey said, those are the types of things we would like to put out there through the Come Sea US Campaign. If chartering becomes very easy, and there is a message, then those are the types of things that we certainly want to take advantage of and tell the world about.

Simon: That is really important, and I think it is really important now, not just when we get to that step. Now we should be saying 'these boats are available in the USA', instead of every magazine I open, I get drawn to the words "Not for Sale or Charter in the USA". That just says "NO USA, NO USA, NO USA." We need to change that!

Kristina: Agreed.

Martin: Any other comments or questions? Is that a hand in the back? Michael?

Michael: First of all I think there is a little confusion regarding some of the statements and confusion of the state and federal levels. If you want to charter in the United States, you've got to pay the ticket to enter the chamber of commerce. To do that is by simply paying duty. That is not unlike any other country in the world. Having said that, we could have a longer conversation about what happens after that. It's a federal level question not a state level question; it has nothing to do with sales or tax. Having said that, regarding the sales tax, I'm wondering if anyone has studied the overall effects of the tax gap. To say that you have a punitive system before, and that the only thing that has happened since the punitive system went away is that the number of sales has doubled, is not exactly a ringing endorsement for the success of the proto.

The question that I have is if were people harmed by what was effectively a mandatory occurrence, principally in the courts of South Florida once a year. When you have a cruising license, by law, you have to renew that cruising license once a year. What would you do? The answer is, you would come down from Norfolk. There is nowhere to go in Norfolk for example, so you would come to Palm Beach, Broward or Dania County and you would call the yard, have a little work done, maybe get a little fresh paint, maybe you would stay in a hotel, maybe you would go to a local bar have a little dinner, take a few taxis. Do all of the things that economic generators do. Why? Because you had to come to South Florida because you had to renew your cruising license. I simply worry; I know that as a law firm we see zero change that I can discern, in terms of closings and things of that nature. I wonder if there was an unintended negative consequence of the tax cap. I know this is a little bit of a heresy point here, but I think we are all in this together. It is all of that connecting the dots. I wonder, and by the way, what legislators do one day with the pen, they can undo the next day with the pen right? To me it's an interesting thing and I think that simply in closing, we need to analyse the amount of tax revenues that are paid to the State of Florida, which simply gives you a credit against tax revenues in every other state of the United States. If you pay the state tax to the State of Florida under full faith and credits, you get a credit. But you do not get immunity in any other state of the United States. That may just be a Florida initiative, aka you are protecting your own and that's fine.

For those of us who do business in all of the Ultra High Net Worth states and countries, what I'm asking for is a little bit more of a holistic approach to what is the overall effect for all of the marine industries, not only of the United States, but in particular the state of Florida because of this new tax law.



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Carlos: Thank you for the positive message there. I just have a quick comment on that. I think we are making progress in a lot of areas just by organizing. The fact that we could even get that sales cap passed was an incredible achievement in itself. Whether or not it proves to be the best thing or not the best thing... our personal experience is that it has been a great positive. That these boats are staying and we are seeing a lot of positive but we will let the numbers show.

We have to keep in mind that we have made very little long-term progress yet. We are at the beginning of a long race to get our industry back. I tell people it's like swimming the English Channel. It doesn't matter how well you do in the first hour, it only matters whether or not you make it to the other side without drowning. That's what we are really talking about here: a long-term commitment. The good news is that we are doing great, we are making a lot of progress and we are going to stick together. There is a lot more to do but we have a fabulous industry. If you go out to the show today you will hear a lot of great comments. Our American Superyacht Forum, the Global Superyacht Forums, the discussions that were made there had an impact on this show. The way that this show is being held and they way it is going to be held next year and the year after that.

Your comments really are making a difference; your work really is making a difference. I want to encourage all of you to continue to fight for our great industry that is worth fighting for. The future, I believe, is very bright. That's why we, on the brighter side, are making big investments into the industry. Because we believe in it and I think that you should too. As long as we can all work together?

Martin: I agree Carlos.

David: Good morning. David Bohannon from Connecticut. I wanted to respond and compliment you for the effort that you are making to improve our industry. In Connecticut we have seen an unprecedented amount of tax fields off the charts in my law firm from boats that come up from Florida. Michael's point is very well taken and should be listened to very carefully because we have jurisdictions all across the United States that yachts want to go to but are now precluded because of tax issues. On a larger level I serve as the Chairman of the Yacht Advance Committee for the Maritime Law Association and the American Bar Association. We've looked very carefully over the years at the marine industry and given close attention to working with other constituents in the marine industry and associations, which has been difficult. We all know it is not so easy to get anything done. Your attentions and directions are noble, but the political process is tough. I certainly welcome you to come to our meetings and work with us on legislation. You really have to look at a broad picture here and not politicize the direction. Thank you.

Martin: Graeme I think wants to say something?

Graeme: Graeme Lord. I just want to comment on the charter side of it. Because I think there is the regulatory side and then there is reality. I can tell you from a personal point of view, I have been involved in chartering boats here in the US for just under 20 years. I would say I've been involved in about 200 charters. We have never had a problem. When I hear bits of information today coming out which are just incorrect information on how you can pay the tax cut in Florida on a boat as long as you have the duty paid or you've got US goods returns paid. These are simple bits of misinformation. Everywhere you charter in the world there is a regulatory problem. Europe is getting more complicated by the day. In reality, compared to the rest of the world, chartering in the US on a foreign flag boat is actually pretty darn simple. (Applause)

Martin: Thank you Graeme. Anything else? Yes thank you Patty - creator of the campaign.

Patty: Patty Lengel here. I was just wondering if anyone was addressing insurance company issues. I did speak to a Captain on a very large yacht in spring and he was saying they never come to the US



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because their insurance company only insures the vessel for 2 weeks at a time in the US, so why come to visit.

Corey: Tonight on our panel we actually have an insurance panel expert who is going to talk about that. That's one of the questions, along with chartering, are some of the insurance requirements. As Graeme said, when you boil it down, it is fairly easy for foreign flag yachts to charter in the United States. The more of that we can do, absolutely can we expand some of that. Absolutely. Those are some of the things as an industry we are looking at. It is kind of on a step-by-step basis. I can't answer your question directly because there is a lot that has to do with insurance and insuring of a yacht, but we will have an insurance expert there.

Dudley: Hi there. Dudley Dawson here from Yachting Magazine. I'm not sure how to describe myself. Halfway between activist and agitator. I would like congratulate all of you in the organization for what you are doing, what you have done so far. I think you are on the right track. Keep it up. I do have some experience in this. Twenty years ago we got involved in the Passenger Vessels Safety Act. At the very last minute the board was passed and we managed to eliminate a clause that would have put the US crew charter industry out of business. I appreciate what Michael said about what legislators can do with a stroke of a pen and then undo. So keep the luxury tax in mind. They figured out within a week that they had made a mistake and it took three years for them to undo the legislation. I've been to IMO where we have affected some navigation light rules. There are ways to do this proactively. It is so much better and I commend you for getting involved. Know what's coming. Three years ago, the coastguard held an invitation only event, which I managed to wrangle an invitation to. It was a small vessel security threat summit. One of the coastguards stood at the front of the room, Michael Chertoff, Secretary of Homeland security. They viewed recreational boats as threats. Nothing more. They felt the easiest way to eliminate the threat was to eliminate recreational boating. Small vessels in their terminology were up to 200 feet. So that covers you guys.

We went in. Margaret Podlich who was Vice President of Legislative Affairs for both the US was there to testify. I spoke. JJ Marine from Zodiac was there. To turn it around, we reminded them that in World War 2, recreational boaters were the biggest assets the US had. They were the eyes and ears of the waterfront. There is now what is referred to as America's Waterway Watch as part of the Homeland Security Programme. It could have been entirely different had we not had some representation. I'm just encouraging you to get involved, keep your ears open, see what's coming and try to intervene before it becomes a problem. Proactive rather than reactive. Take the money that you might put towards a pack; put it towards keeping track of things and getting involved.

Corey: That's definitely a very good point. The involvement has been so important. I was involved in Small Vessel Security Summits around the country. We've been working with Bob Gobbin who is in the coastguard's office who is in charge of the small vessel security threat and the rollout of that programme. I spoke at a conference in Miami and we had representation at the conference in San Francisco. What you are talking about is exactly what we have been doing. To let them know that these small recreational vessels are not a threat. We have really started to stem the tide as you said of getting out in front so that there is not going to be a slew of regulations on the recreational vessels. That is where the advocacy programme is going. Moving from a reactive standpoint to a proactive standpoint. We absolutely have to do it and our partners in the federal agencies are actually becoming partners now and understand the economic impact of the industry. Also, as Carlos mentioned, the level of professionalism. They see that. When you bring them to the show, we have tours with coastguard, customs, and any federal agency that wants to come down we take them to the show. When they see first hand the number of businesses that are part of this, the American yacht builders, the blue-collar jobs, what a yard looks like, all of this. When they see that level of professionalism, that's what we use to help turn that tide and stay out in front of that. There are some things that we've been able to work with the coastguard on an international level as far as the rollout of a small vessel programme. You are right. We absolutely have to stay out in front of that



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and be involved on a proactive standpoint as they look at now starting to implement that programme over the next five years. What you said is exactly true. On a regulatory standpoint we need to try and stay out in front of this.

**Kristina:** On a legislator front, I will give you two ways. If you want to meet Congressman Alan West, USSA is having a breakfast tomorrow morning at 8am in this hotel. I encourage all of you to attend. We are having a round table tomorrow. There will be five congressional offices represented. I invite all of you to come to the SYBAss aboard Lady Kathleen. Upstairs we are going to have an open dialogue. Everybody sitting down. They might represent Florida but they have a national hat and they all sit on committees. I encourage all of you to attend that as well.

**Erin:** I'm Erin Ackor from Moore & Co. I just wanted to talk more about the components on chartering and how in magazines all you seem to see is 'Not for Sale or Charter in the USA'. Further to what Michael said, you can eliminate that by simply paying import duty. So you can wipe off that issue with a simple cheque. The other issue is with respect to chartering like Graeme said, it is possible to do chartering within the United States. We have clients that on a regular basis wanted to charter in the United States but you have to set up a sort of structure. As long as you understand the rules, and it is like it is anywhere else in the world. You do have to pay tax. Its not totally possible and it can be made easier. If you have a client who is interested in chartering in the United States then contact an attorney and hopefully the business can increase in that way.

**Michael:** I'd just like to say one other thing if I may, and I don't want to overstay my welcome (laughter). Lawyers don't ever look at it as negative or positive. Those are public policy issues. Lawyers look at the law and then try and get around it. (laughter). For the benefit of their clients. Here's an example of something that's coming down the shoot that I think will have serious and significant impacts on the yachting industry. It won't affect lawyers except probably creating more work. But I think it will affect the industry. This is the Labour Convention that the world's largest union is now pushing to pass that will certainly change the rules on the accommodations for crew onboard vessels that are chartering out. I don't know a lot about this law and we don't have a lot of time to be sitting around reading conventions, but I know that this law, which the fellow from the MCA yesterday said was "destined to pass". It requires 30 signatories. I saw that of the great maritime agents of Switzerland and Latvia have signed already. I would simply suggest that our economic interests are not aligned and the great maritime land of Switzerland may not have the same objectives that we do. Frankly, in my business, I haven't heard any crew on yachts complaining. Maybe they are complaining to someone but not to us. I don't know if this is really a major issue, but I know this. The limited knowledge that I have of it is that if you have to change the accommodation areas, the boats will have to necessarily reconfigured, made bigger, made more expensive, whatever. I don't know the answers.

**Carlos:** Let me turn that comment into a positive one. I am happy to report that thanks to a lot of the efforts led by the Superyacht Builders Association (SYBAss), there is a lot of progress that is being made there, the issue is being addressed and there are people working together cooperatively to make sure the impact of that is not as great as it could be. That's a good example of how we can make a difference. Even though it would have been a lot better to do that proactively, we are working on that. Billy do you have any comments on that from the SYBAss side?

**Billy:** Michael was exactly right. The proposed regulations were basically, in a J-class sailboat for instance, you had no accommodation for owners and guests, it was just crew. In a typical 50 metre, 164ft yacht, you would lose two guest staterooms. The owners would find that unacceptable, they simply would not order boats, end of discussion. That whole thing came down and started a couple of years ago. Probably four or five years ago and there was nobody in the room to defend the yachting industry. While they exempted dials, fishing vessels and junks, nobody stood up, including MCA, to say yachts should not be included in this legislation. It was designed for tankers that do not treat their crews very well. Those guys do need protection. The yacht crews do not need protection. That is a



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clear example of nobody watching out for our interest and we now, through SYBAss, looks like we have come up with a compromise and a way of measuring compensated tonnage that the impact would be less than ten per cent. I think we can live with that until we can basically exempt the yachts all together. That's a very simple case of the unintended consequences of nobody seeing that clearly this is for tankers and bulkhead carriers, why don't we take yachts out of the equation. But nobody did that so we argued with it and it looks like it will be minimal impact. It's a clear warning in how we have to be proactive. We can't sit back and let this stuff happen and think 'oh we will just change the law in three or four years'; the industry will be gone by that time. This was one of the things I really wanted to follow up on today. We have to protect our industry. We cannot assume that people outside this industry are going to protect us.

**Corey:** From the US perspective, one of the things we are doing on the regulatory side is opening a dialogue with the US Maritime Administrator to talk about this issue. There is indication at this point that it doesn't look like the United States is going to ratify the MLC because there is other regulations in place. However that can change with changing politics and administration. From the US perspective, we definitely have an open dialogue with these folks that this kind of progresses on an international level.

**Charlie:** Before Martin wraps up, back on Erin's comment. I want to thank you for what could be our initial messaging. "Come Sea US. It's not impossible". Kind of catchy huh? (Laughter)

**Dudley:** I'm glad Michael brought the MLC up. I'm sorry Martin but I did an address with Boat International earlier this year. As part of this I did read the Convention from cover to cover. It will affect far more than construction of the yachts. It affects contracts for crew, vacations, arrangements between owners and crew and managers. It covers all sorts of things so I hope the exemption goes through. Proactive in the US as a start, but I do wish there was some sort of global, international umbrella organization. SYBAss, ICOMIA, USSA, everybody could address and watch this stuff on a global basis as it is not happening now. US flag and US owned, used within the US yachts are only a small percentage of what all of us do. We need to cover it somehow globally. I'm not sure what the organization would be that could do that.

**Billy:** SYBAss has stayed in close contact with USSA. And with any of the other organizations that have come up that are promoting yachting, protecting yachting, SYBASS will be involved with and will share information and ideas.

**Martin:** I think also, I would like to point out that the way in which the collaboration between the associations has happened in the last year has changed dramatically. We discussed associations working together about five years ago at the Global Superyacht Forum and it just never happened. Now it is happening. When you have one association for everyone globally, I think it's impossible. It would be too big. I think ultimately, ICOMIA's model works in the small boat world. A similar thing could happen with superyachts, but we have a lot of work to do before we get to that stage.

**Geoff:** Good morning. My name is Geoff Hurtman, I'm with the Florida Yacht Brokers Association. Under full disclosure, I am a yacht broker and I am representing Florida so unlike the rest of the group that's on a national basis, we were looking at this from a Florida standpoint. The idea of the sales tax cap was to attract and retain the boats in the state of Florida. Not push them out due to their cruising permit expiring, not push them out because they had to leave someplace because the state was pushing them out asking them in the navy day period that they had to cough up money. Not pushing them out because all the wars previously had caused them to do it. I've very passionate about this as you can probably see. In your message "Come Sea US", I think should be 'Come Sea US and stay'. Don't leave.



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Martin: Any other questions before I do a summary? Ok, from my point of view, the conclusion “get involved” is absolutely fundamental. We live several thousand miles away but we get involved because we know the US can be better and grow. It is certainly an important part of my business, because we have a global business. I have seen the US change dramatically in 25 years I’ve been in the market. I think we now have to get a very clear business plan. I want to help as much as I can, but more importantly, you have to help yourselves. There is no way we can do it unless the whole industry works together. You have a huge opportunity. The number of people in the US alone who can afford to buy a superyacht, or charter a superyacht is greater than any other market in the world. You can’t ignore that fact. The number of people that own a yacht today is still tiny. It blows me away. If you look at all the small boat owners; 40 to 80 feet, which is one of the biggest market potentials you have. That data exists all through the US coastguard information and you need to analyse that as an industry to find out your next marketplace. That is my personal opinion.

The other negative (sorry). Occupy Wall Street, Occupy FLIBS. These two initiatives are very misguided as we all know. There are lots of activists in the world that cause chaos, but they seem to have no knowledge of what we do as an industry, how many people we employ. More importantly, our owners, the ultimate people who make our life’s work, employ hundreds of thousands of people, and generate billions of revenue. They’re not a target, they are basically the most important people on the planet. But they get very bad press. Which leads me to the press. We need to get our facts, our figures, our information and our knowledge distribution far more clearly disseminated to the Captains, to the Managers, to the people that drive the vessel movements. But more importantly, the owners. The owners need to know that they are getting the right information from all these associations and all these groups of people, that it’s ok to cruise in the US. That there are lots of great things to do here. The service is good, we all speak English, and it is a healthy, interesting location.

If you look at the whole of the coastline of the USA, from Alaska all the way around to Maine, it’s a pretty unrivalled cruising ground. There is another opportunity next year with the start of the America’s Cup challenger series. Actually, next month in San Diego, all the way through to San Francisco. I think the yachting world of the USA will be high profile. We need to make sure you capitalize on that programme as a follow up to the ‘Come Sea US’ thing.

We are also debating our American Superyacht Forum venue, which we are hoping to conclude after this meeting. We did discuss Washington DC. We think that may be more of a headache to get any face time to have some impact. We discussed Newport, Rhode Island because we love the place but also because the America’s Cup Challenger Series happens next summer, which is another thing to piggyback on. Also we have discussed staying here in Fort Lauderdale again. The energy and the dynamics of last year, sorry, last May’s ASF was quite interesting. Not that I want to be too Florida centric, but the numbers, the people, the opportunity to have a good strong, strategic discussion of what we’ve already discussed, we think would work well if we stay in Fort Lauderdale. Any show of hands who thinks that would make sense? Motion carried. (laughter).

Ladies and gentleman, thank you very much for your time and your input. The show is opening in about fifteen minutes. Lets keep this thing moving. (applause).

