Building boats on the bayou

La. shipyard riding high in recession

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LOCKPORT — Dick Bollinger, his nieces, Charlotte Bollinger Toups and Andrea Bollinger Suard, and their daughters recently swept into Blackie's, a down-home eatery here where everyone is on “cher” terms with one another and where the special of the day is white beans and rice.

Although they head one of the largest industries in Lafourche Parish — Bollinger Machine Shop & Shipyard Inc. — the Bollinger clan stays close to its roots. Even company founder and former state Public Safety Commissioner Donald Bollinger had brought some political associates to Blackie's that day for lunch.

Donald Bollinger also happens to be the father of Toups, Suard, and Donald T. "Boysie" Bollinger, the respective treasurer, secretary, and chairman of the board and chief executive officer of the shipyard. Donald Bollinger also is the brother of Dick Bollinger, who serves as president of the company.

After hugs and handshakes with family and friends at Blackie's, Dick Bollinger and Toups got down to business, telling the story of their family enterprise.

When the oil slump hit in the 1980s, the shipyard — like other energy-related businesses — took it hard.

The company slid to 803 employees in 1984 working an average of 30 hours a week from 374 full-time employees in 1981, Dick Bollinger said.

That's when the family decided to explore government contracts to "make work" for the shipyard employees. That "make work" project for the U.S. Coast Guard has catapulted the company to 740 employees, including 350 who are associated with Coast Guard contracts, Toups said.

The company payroll stands at $1.25 million a month and the company pays $81 million a year to Louisiana vendors, Toups said. "It's a tremendous impact economically for the whole state," she said.

"Bollinger's contribution to this community has been tremendous," said Steve Gremillion, chief administrative officer for Lafourche Parish President Vermon Galiano.

"They have taken the bayou community of Lockport and competed nationwide. They put out a product that is second to none," Gremillion said.

The Coast Guard contracts — to build 49 110-foot Island Class Patrol Boats — has led to an expansion of the company's services and to new contracts for 13 Navy patrol boats. The Navy patrol boats are to be 60 feet longer than the Coast Guard vessels.

The Coast Guard boats are used in drug and fisheries surveillance and search and rescue operations from the eastern coast of the continental United States to Alaska, Hawaii and Guam, said Dick Bollinger.

As the class name implies, each vessel is named after an island, such as the "Long Island," the "Staten Island" and the "Block Island," he said.

The Coast Guard patrol boats "have done absolutely everything they were designed to do," said Coast Guard Commander Peter Lenes, who is stationed at the shipyard to oversee the manufacturing of the patrol boats.

The Island Class patrol boats, which are replacing the Coast Guard's 35-year-old, 95-foot fleet, are designed to carry 16-member crews for five-day missions and are capable of up to 20-knot boats, Lenes said.

"We are using these boats a whole lot harder than we ever used the 95-footers," Lenes said, adding that the equipment must be designed to last at least 15 years.

Bollinger Machine Shop and Shipyard has won accolades and awards for its work, including a recent Department of Defense Value Engineering Achievement Award for an engineering change for the Coast Guard and Navy vessel propulsion systems. The change resulted in a weight savings of about 7,500 pounds and a dollar savings of $7.8 million, according to company materials.

Under the award program, companies are allowed to split the cost of the savings with the government. The company has invested $10 million in the shipyard in the past five years because of the multiple Coast Guard contracts worth an estimated $279 million, Toups said.
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"It put us in a position to have a plant and have a team," she said. "When we set out to bid contract now, we set out to win them."

The company also is a strong competitor in the mid-sized commercial market as well.

"Bollinger does well in both categories of repair and new construction, although they do exceptionally well in new construction," said Robert O'Neill, director of the American Waterways Shipyard Conference in Arlington, Va., which conducts an annual survey of shipyards.

"They're pretty much an industry leader... in terms of the technology they have... (and) the overall techniques in design and construction," O'Neill said.

"Most small to medium shipyards you don't find that type of (computerized) equipment."

While larger shipyards are feeling the pinch from cutbacks in military expenditures, John Snyder, an editor of "Maritime Reporter & Engineering News," said the smaller yards may be able to weather the storm.

The Trinity Marine Group—a competitor of Bollinger's—recently scored a coup with its contract to design and build 12 oil spill recovery vessels for the Marine Spill Response Corp. of Nashville, Tenn. It also has contracts to build new military vessels, said Trinity public relations representative A.J. Rizzo of New Orleans.

Trinity owns 10 shipyards, including Halter Marine in Lockport. It also is building some Navy patrol boats, Rizzo said.

"They are a solid competitor," Rizzo said of the Bollinger operation. "South Louisiana has some of the best ship builders... (The competition) is intense, but it's not a dirty kind of competition."

Only the fittest survived the energy slump, Rizzo said. "There really are no weak sisters out there," he said.

Bollinger Shipyards is a product of an earlier slump—The Great Depression. Dick Bollinger said Donald Bollinger founded the company with an investment of a few thousand dollars he had managed to save. He immediately employed his brothers, Dick, George and the late Ralph Bollinger.

The shipyard began with a small building on 40 acres from a sugar cane field along Bayou Lafourche during the days when that portion of the bayou was part of the Intracoastal Canal, Dick Bollinger said.

Because of requirements from the recent military contracts, the company has made major investments in its plant site, which now stretches two miles along the bayou.

It built an 85-by-400-foot building for the Coast Guard boats. The building now is used to build oil skimmers in a joint venture with Eco Marine.

The company purchased an additional 350 acres in 1988 to add cutting shops, an aluminum shop, an $850,000 engineering building and a 70,000-square-foot warehouse housing about $15 million in equipment.

Toups said almost all the work the company previously had subcontracted—such as electronic or aluminum work—is now performed in-house.

The company has upgraded facilities to take advantage of computerized purchasing, design and metal cutting technologies.

In 1990, the company acquired the Algiers Iron Works & Dry Dock Co. Inc. on the west bank of the Mississippi River and the former 40-acre Texas Gulf shipyard in Larose. That same year, Bollinger opened in Mathews its Fiberglas Division and Chand Corp., which handles military parts procurement and distribution and service of European manufactured products.

Despite its growth, company officials try to foster a family atmosphere. "They try to keep in touch (with all the employees), but it's gotten to be a big business," said Gremillion.

"You feel like you're part of the organization. You can always speak your mind," said Flo Mathema, an employee for 19 years who now works as the materials control manager for the company.

Dick Bollinger said he tries to greet as many employees as he can by first name as he walks through the facilities.

Toups said the company employs about a dozen Bollinger family members, but quickly adds that "the people that work here are all part of the Bollinger family."