

René J. Cheramie & Sons, Inc.

The late Rene J Cheramie started working vessels in 1929.

In doing so there were very few regulatory requirements.

I remember him telling me a story about his first Tankerman's ticket which was an oral exam administered by the USCG and he explained that a fellow student was asked a question "What kind of matches do you use on a red flag barge? Answer given was Red Ball Safety Matches. It is my understanding that the fellow student did not pass the test.

Today we will discuss the following topics:

- (1) History of Rene J Cheramie & Sons from 1929 to 1965.
- (2) The late Rene J Cheramie had his vessel expropriated by the Navy in WW II. Paid fare market value after the war and purchased 3 vessels from the Navy.
- (3) Rene A Cheramie first rig move in 1975 at the age of nine.
- (4) First USCG boarding in 1999 / significant and emotional event.
- (5) United States became a signatory to the ISM Code in 1996.
- (6) Obtained ISM certification in 2000.
- (7) Served on TSAC Committee from 2004 to 2006 which was tasked to make recommendations for the ultimate implementation of Sub Chapter M



## Owned Vessels

MV BROTHER in LAW: Built in 1925 in Golden Meadow, LA /Acquired in 1929 (2 cylinder Alex Eng/12 hp) MV MARINE PRIDE: Built in 1937 in Golden Meadow, LA (Acquired Fairbank Engine/30 hp) MV MIDHSIPMAN: Built in 1940 in St Augustine, FL / Purchased in 1946 (6 cylinder Cat / 120 hp)
Tug MIDSHIPMAN: Built in 1952 in Galliano, LA (6 cylinder Caterpillar Engine/500 hp)
Tug MIDSHIPMAN: Built in 1957 by Gulf Offshore Fabricators in Leeville, LA (6-110 Detroits / 600 hp)
Tug MARIA CHERAMIE: Built in 1965 by Main Iron Works in Houma (16-V1) Detroits / 2020 hp)
Tug AGGIE CHERAMIE: Built in 1972 by Houma Welders (1939 Caterpillar / 1200 hp)
Tug RENE J CHERAMIE: Built in 1974 by Houma Welders (1939 Caterpillar / 1200 hp)
Tug RENE J CHERAMIE: Built in 1974 by Houma Welders (1939 Avondale (8-645 EMDs / 2100 hp)
Tug ANN T CHERAMIE: Built in 2003 by Main Iron Works in Houma (3516B HD Caterpillars / 4750 hp)

In 1929 Rene J Cheramie acquired MV Brother in Law which was built in Golden Meadow / powered by a 2 cylinder Alex Engine at 12 hp.

In 1937 he acquired MV MARINE PRIDE powered by a 4 cylinder Fairbank Engine at 30 hp.

In 1946 he purchased MV MIDSHIPMAN powered by a 6 cylinder CAT at 120 hp.

In 1952 he built MV MIDSHIPMAN powered by a 6 cylinder CAT at 500 hp.

In 1957 he contracted with Gulf Offshore Fabricators in Leesville to build MV MIDSHIPMAN powered by 6-110 Detroits at 600 hp.

In 1965 Antoine Rene Cheramie (My father Tony) contracted with Main Iron Works in Houma to build MV MARIA CHERAMIE powered by 16-V71 Detroits at 920 hp.

In 1972 Tony contracted with Houma Welders to build MV AGGIE CHERAMIE powered by D379 CATs ay 1200 hp.

In 1974 Tony contracted with Houma Welders to build MV RENE J CHERAMIE which was outfitted by Avondale powered by 8-645E2 EMDs at 2100 bhp.

In 2003 my father and I contracted with Main Iron Works to build MV ANN T CHERAMIE powered by 3516HD CATs at 4750 bhp.

In 2011 Rene J Cheramie & Sons worked with Crimson Shipping Company and Crescent Towing to contract with Main Iron Works to build sister ship CRIMSON VICTORY also powered by 3516HD CATs at 4750 bhp.



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Rene J Cheramie acquired the fishing vessel Brother in Law in 1929 and started his own marine business. The vessel was powered by a 2 cylinder 12HP Alex engine. In 1937 he purchased MV MARINE PRIDE powered by a 4 cylinder 30HP Fairbank engine. When the United States entered WWII, it expropriated MV MARINE PRIDE resulting in Rene' working for wages at Avondale Shipyard. After the war the government paid Rene' fair market value for his vessel allowing him to purchase MV MIDSHIPMAN in 1946 powered by a 6 cylinder CAT producing 120HP and the second MV MIDSHIPMAN in 1952 powered by 6 cylinder CATs producing 500HP. He continued expanding purchasing his third MV MIDHSIPMAN in 1957 by Gulf Offshore Fabricators in Leeville, Louisiana. It featured 6-110 Detroits, producing 600HP. The October 17, 1960 edition of the Oil and Gas Journal shows "How Gulf set a new drilling record". Dixie Drilling Company's Rig 3 is towed by Tugs MIDSHIPMAN and REED toward Gulf Oil Corporation's state lease 1773 in Timbalier Bay, Louisiana. A month before in a nearby well it set a record of 5,412 feet in one day. Captain Rene J Cheramie and deckhand A.R. Tony Cheramie worked on Tug MIDSHIPMAN to make this happen. Rene contracted with Main Iron Works in 1965 building Tug MARIA CHERAMIE and powered her with 16-V71 Detroits, producing 920HP. Rene and Tony contracted with Houma Welders in 1972 and built Tug AGGIE CHERAMIE and chose D379 CATs at 1200HP for propulsion. Tony assumed leadership of the company constructing Tug RENE J CHERAMIE in 1974 at Houma Welders and powered the vessel with 8-645E2 EMDs at 2100HP. Rene passed away in 1985. Tony contracted with Main Iron Works constructing

Tug ANN T CHERAMIE in 2003 and working with Crimson Shipping Company in 2011 to build Tug CRIMSON VICTORY both powered by 3516HD CATs producing 4750HP. Tony worked with the Towing Safety Advisory Committee in 2004. The Coast Guard's partnership with TSAC aids in managing the risks present in the towing industry and resolving problems of mutual concern.

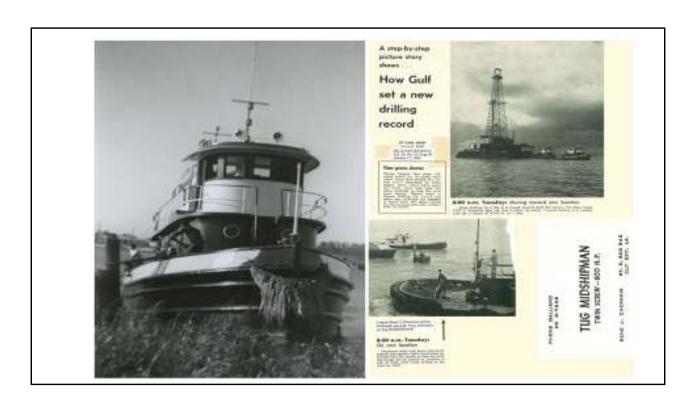
Third generation Rene A Cheramie joined the family business in 1993 when he resigned his commission as an Army Captain after participating in Operation Desert Storm. The business was not new to the former soldier because he went on his first rig move in 1975 at age nine. He gained first hand experience aboard Tug RENE J CHERAMIE working through various subcontractors such as Louisiana International Marine and the late Claude Autin. Rene currently lives in Lafayette where he is the President of A.R. Cheramie Marine Management, Inc. The company owns, operates, maintains and manages offshore tugs and barges for various owners. Rene is also DPA for Brusco Tug and Barge which is a 30 boat company with offshore towing tugs as well as ship docking tractor tugs from Southern California to Alaska.



This is a picture of my father A.R. Tony Cheramie who is currently 75 years old.



This is a picture of MV MIDSHIPMEN vicinity 1952 along Bayou Lafourche. First steel tug boat owned by Rene J Cheramie.



Tug MIDSHIPMAN built in 1957. Tug MIDSHIPMAN with Tug REED assisting Dixie Drilling and Gulf Oil we setting a new drilling record.



Tug MARIA CHERAMIE in 1965.



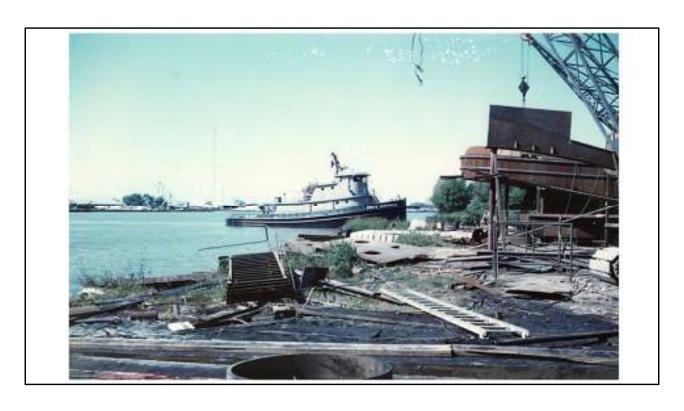
Tony Cheramie on a job with T.L. James preparing for an inland voyage to Arkansas with Tug MARIA CHERAMIE.



Pictures of Tug MARIA CHERAMIE vicinity early 1970s.



Tug AGGIE CHERAMIE in 1972.



Same Tug AGGIE CHERAMIE in 1972



Tug RENE J CHERAMIE November 1974.

Rene J Cheramie & Sons, Inc received a Citation of Merit in 1995 as a result of retrieving a barge loaded with 65,000 barrels of Jet Fuel off Tampa, Florida.

No damage to the environment.

Since this event was post OPA 90 and we were not members of the Club we realized that we needed to find work outside of towing petroleum products.

The Citation of Merit was a nice award but was a major decision point as to how we were going to transition into an ever increasing regulatory environment.



## Tug RENE J CHERAMIE in 1974.

During the summer of 1975 I had the opportunity to join my father on a rig move consisting of Tug RENE J CHERAMIE along with 2 each tugs owned by MONTCO.

The job was through LIM / Louisiana International Marine and the late Claude Autin. Every time the green rotary dialed telephone in our kitchen rang it was Claude Autin sending my father to sea on a job.

My crew orientation as a 9 year old was brief by today's standard. I knew when to speak and where I required an escort and where I was free to roam around. Of course my PPE consisted of Converse Chuck Taylor basketball shoes, shorts and a T Shirt.

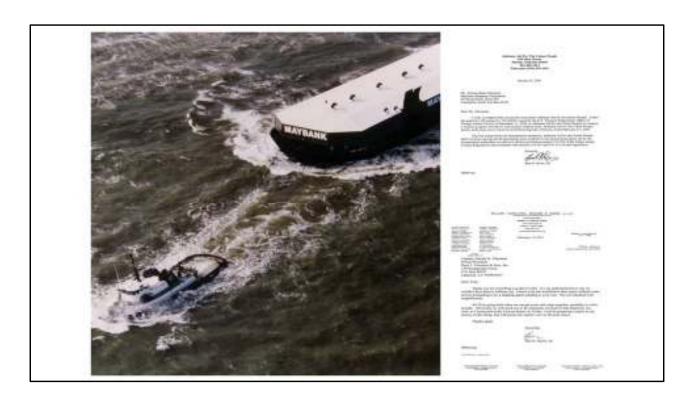


Tug RENE J CHERAMIE towing a barge with a capacity of 65,000 barrels lightering ships loaded with Crude Oil.

This job was pre LOOP / Louisiana Offshore Oil Port.



Tug EL JAGUAR built in 1976 and designed greater than 500 ITC / International Tonnage Convention.



Tug RENE J CHERAMIE with Barge HELEN II with Maybank Shipping Company called on Havana Cuba which was approved by the US State Department and consisted of a US Flag tug and US Flag barge with US Merchant Mariners delivering food aid and medical supplies.

We had the first US Flag vessel with Americans conducting trade in Cuba since 1962.



Tug ANN T CHERAMIE delivered in 2003.



Tug ANN T CHERAMIE in Port au Prince, Haiti after Jean Claude Aristide was overthrown and the United States Marine Corps in conjunction with the United Nations provided security.



Our fellow Marines ate their first hot meal in over 30 days on board Tug ANN T CHERAMIE.



Admiral Perez on board Tug ANN T CHERAMIE after earthquakes in Haiti It turned out that Admiral Perez several years ago worked with my younger brother on a Navy Salvage Tug and when he recognized the Cheramie name he and his staff visited our tug and operation in Haiti.



Crimson Shipping liked Tug ANN T CHERAMIE so much that they contracted out with Main Iron Works to build sister ship Tug CRIMSON VICTORY.



CRIMSON VICTORY in Chickasaw, Alabama in 2011.



Tug GULF CAJUN enroute to Newfoundland in support of Vale and smelter factory.

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## **Significant Dates Concerning Regulatory World**

- IMO adopted the ISM Code as Chapter IX of International Convention of SOLAS in 1994
- AWO launched recommended practices IAW with RCP in 1994
- United States adopted Chapter IX of SOLAS in 1996
- AWO set a target date of 1998 for all member companies to be compliant with the RCP
- ANNE HOLLY rammed the Eads Bride in St Louis in 1998
- · Marine Transportation Act of 2004 enacted which required all towing vessels to become regulated under the USCG
- Tanker TINTOMARA collided with Tank Barge DM 932 in care and custody of MEL OLIVER in 2008

The Amtrack Sunset Limited derailment prompted broad industry self examination led by the AWO to "improve industry safety and environmental protection by establishing preferred industry operating principles and practices." In December 1994, AWO launched its RCP with recommended practices and standards aimed at enhancing the safety of the towing industry. The AWO set a January 1, 1998, target date to require all AWO member towing companies to be incompliance with the RCP. A key component of the RCP was a form of safety policies and procedures, security procedures, environmental policies and procedures, incident reporting, and both internal and external audits for RCP compliance.

Also in 1994, the IMO adopted the ISM Code as Chapter IX of the International Convention for the SOLAS. The U.S. adopted Chapter IX of SOLAS in 1996. The USCG was tasked to develop rules implementing the ISM, with the key component being the requirement for inspected vessel operators to implement and maintain a maritime safety management system (SMS). As implemented the ISM requirement for SMS did not capture the bulk of the U.S. towing industry, but it did continue the trend then developing in multiple industries toward use of industry specific safety management systems.

On April 4, 1998, barges in tow of the towboat ANNE HOLLY rammed the Eads Bridge in St Louis, Missouri, and then subsequently rammed and nearly caused a breakaway of the casino vessel PRESIDENT CASINO ON THE ADMIRAL with two thousand passengers on

board. The NTSB blamed errors in judgement on the part of the towboats captain, and specifically found that the captain would have been better able to make prudent decisions concerning operation of the tow had the vessel operator developed and implemented an effective safety management system. Further, the NTSB found: "The lack of a safety management system requirement for all U.S. Towing industry companies represents a threat to waterway safety." The NTSB recommended that the USCG seek statutory authority to require domestic towing companies to develop and implement an effective safety management system to ensure adequate management and oversight of the maintenance and operation of all towing vessels.

The direct outcome of NTSBs ANNE HOLLY recommendation, with the support of the AWO and others in the towing industry, was Congress's adoption of the Marine Transportation Act of 2004. The Act required that uninspected towing vessels fall under the regime of Coast Guard inspection regulations specific to vessels in the towing industry. The Act did this simply by adding the phrase "towing vessels" to the definitions of the classes of vessels that are subject to safety inspection under 46 USC § 3301. The Act also directed the USCG to develop by regulation a safety management system appropriate for the characteristics, methods of operation, and nature of service of towing vessels.

Vessels subject to inspection outlined in the U.S. Code (46 USC § Vessels). "The demand for federal legislation began during the early 1800s after frequent explosions of steam boilers on passenger vessels." "It is a patchwork of categories over the last 100 years that requires a classification of more than 70 categories of inspected vessels."

## Shaping the U.S. Codes of Federal Regulations Subchapter M

- USCG is the dominant federal agency to prescribe and enforce standards affecting safety of seaman on inspected vessels.
- · OSHA may not enforce OSHA regulations for working conditions on inspected vessels.
- UTVs are not unregulated by the USCG and the USCG has always taken the lead in investigating UTVs as
  well as inspections by way of random samplings.
- The MOU between USCG and OSHA does not specifically address Uninspected Vessels.

The limited nature of the USCGs regulatory approach to uninspected towing vessels led to a series of cases applying regulatory preemption principles to determine if the OSHA could exercise jurisdiction over aspects of uninspected vessel operation not specifically covered by USCG regulations.

The towing industry recognized that application of OSHA regulations not specifically designed to address the conditions, work environment, and design of towing vessels could expose towing vessel operators to significant liability, particularly in cases of personal injury to crew members.

The Coast Guard sought the regulatory authority granted by the Marine Transportation Act of 2004 in order to improve waterway safety in the towing industry. The towing industry pushed for a vessel inspection regime both for reasons of safety and for reasons of regulatory clarity, so that rules specifically applicable to the use, configuration, and operation of towing vessels could be relied upon as a single guidebook.

The road to Subchapter M began with Congress directing USCG to develop regulations prescribing "different standards for towing vessels than for other types of inspected vessels and different standards for the various types of towing vessels. The development of those regulations has been long and complex process, beginning in 2004, with Congress

attempting to accelerate the process by having established a deadline of October 15, 2011, for issuance of a final rule when Congress passed the 2010 Coast Guard and Marine Transportation Act. The final Subchapter M missed the recent deadline and appears that publication of the final rule will be effective June 20, 2016.

The MOU between OSHA and USCG cedes to the Coast Guard exclusive regulatory authority over workplace safety for seaman aboard inspected vessels. The MOU is intended to eliminate confusion among members of the public with regard to the relative authorities of the two agencies. Nothing in this MOU pertains to uninspected vessels. The USCG is the dominant federal agency with the statutory authority to prescribe and enforce standards for regulations affecting the occupational safety and health of seaman aboard inspected vessels. The MOU goes on to obligate OSHA to refer any complaints received from seaman about working conditions on inspected vessels to the USCG for resolution under Coast Guard standards and regulations. Unless the Coast Guard and OSHA modify this MOU, Subchapter M will place towing vessels on the Coast Guard's side of authority delineated in the existing OSHA MOU.



René J. Cheramie & Sons, Inc

P.O. Box 8/1507 + Latigette, LA 70048 357 866-8103 phone + 357 866-7877 for + Supotherepresence com-