

Orion Marine Group Inc  
Form 10-K  
March 27, 2014  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K  
(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 1-33891

ORION MARINE GROUP, INC.

Delaware

26-0097459

State of Incorporation

IRS Employer Identification Number

12000 Aerospace Suite 300

Houston, Texas 77034

(713) 852-6500

Address of Principal Executive Office

Telephone number (including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Name of Each Exchange on Which Registered

Common stock, \$0.01 par value per share

The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act:  Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act:  Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days:  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files):  Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K  Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check One):

Large Accelerated Filer

Accelerated Filer

Non-accelerated filer

Smaller reporting company

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Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act)  Yes  No  
There were 27,414,059 shares of common stock outstanding as of March 25, 2014. The aggregate market value of the Registrant's common equity held by non-affiliates was approximately \$322.5 million as of June 28, 2013, the last business day of the Registrant's most recently completed second quarter, based upon the last reported sales price on the New York Stock Exchange on that date.

DOCUMENTS INCORPORATED BY REFERENCE

Part III – Portions of the Registrant's definitive Proxy Statement to be issued on connection with the 2013 Annual Meeting of Stockholders to be filed on or about April 7, 2014.

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ORION MARINE GROUP, INC.

2013 Annual Report on Form 10-K

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PART I

FORWARD-LOOKING STATEMENTS

In addition to historical information, this Annual Report on Form 10-K and the documents incorporated by reference herein may contain forward-looking statements that are not based on historical fact. When used in this report, words such as “expects”, “anticipates”, “believes”, “seeks”, “estimates”, “plans”, “intends” and similar words identify forward-looking statements. You should not place undue reliance on these forward-looking statements. Although such statements are based on management’s current estimates and expectations and currently available competitive, financial and economic data, forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause our actual results to differ materially from what may be inferred from the forward-looking statements. Some of the factors that could cause or contribute to such differences are listed and discussed in Item 1A “Risk Factors”, below and elsewhere in this Annual Report on Form 10-K. We undertake no obligation to release publicly any revisions or updates to any forward-looking statements that are contained in this document. We encourage you to read carefully the risk factors described in other documents we file from time to time with the Securities and Exchange Commission (the “SEC”).

Item 1. BUSINESS

General background

We are a leading heavy civil contractor specializing in marine construction. We provide a broad range of heavy civil marine construction services to Federal agencies, state and municipal governments, and private commercial and industrial customers.

We are headquartered in Houston, Texas, and provide our heavy civil marine construction services on, over and under the water along the Gulf Coast, the Atlantic Seaboard, the West Coast, Alaska, Canada, as well as in the Caribbean Basin. In addition, we have marketing presence, but no operations, in Australia.

We are a Delaware corporation. The common stock of Orion Marine Group, Inc. is listed on the New York Stock Exchange under the symbol ORN. Unless the context otherwise requires, all references herein to “Orion”, the “Company”, the “Registrant”, “we”, “us” or “our” refer to Orion Marine Group, Inc. and its consolidated subsidiaries and affiliates.

History and growth

We were founded in 1994 as a marine construction project management business. Since then, we have expanded our reach both through organic growth and acquisitions. We have successfully acquired and fully integrated several companies into our operations. These strategic acquisitions have enhanced our capabilities, provided us with a larger geographic base, and added to our equipment fleet. Most recently, in 2012, we acquired substantially all of the assets of West Construction, Inc., which expanded our presence in Alaska and the West Coast, and included a business development capability in Australia.

Our Business Strategy

We employ the following key business strategies:

• Expand into new markets and selectively pursue strategic acquisitions -- We seek to identify attractive new markets and strategic opportunities through selective acquisitions, greenfield expansions or diversification.

• Continue to Capitalize on Favorable Long-Term Industry Trends - We seek to capitalize on infrastructure spending across the markets we serve including port and marine infrastructure, government funded projects, transportation, oil

and gas, cruise industry infrastructure expansion and environmental restoration markets.

Continue to Reinvest in our Core Business --We continue to pursue technically complex projects where our people, specialized services and equipment differentiate us from our competitors. We intend to continue to enhance the types, numbers or capabilities of the vessels comprising our fleet when the appropriate circumstances arise.

Continue to attract, retain and develop our employees - We believe our employees are integral to the success of our project execution, and we will continue to allot resources to attract and retain talented managers, supervisors and field personnel.

#### Financial Information About Segments

Although we describe our business in this report in terms of the services we provide, our base of customers and the geographic areas in which we operate, we have concluded that our operations represent a single reportable segment pursuant to accounting principles generally accepted in the United States ("U.S. GAAP"). In making this determination, we considered the similar economic characteristics of our operations, including the nature of the services we provide; the nature of our internal processes for the

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production of our services; the methods used to provide our services to our customers; the types of customers we have; the nature of the regulatory environment in which we operate; and our assessment of our future prospects.

We provide heavy civil marine construction services through projects that are obtained primarily by a competitive bid or negotiated contract process. Our projects have similar cost structures, including labor, equipment, materials and subcontractors. Our workforce is standard across our business and includes pile drivers, equipment operators, carpenters, welders, barge crews, dredge crews, supervisors and project managers. This allows our core resources of assets and individuals to be deployed interchangeably to our projects. For example, crews and equipment deployed to a dock construction project may be redeployed to a bridge construction project and to a marsh creation project after that. This allows us to use our resources based on availability across our business. Similarly, basic materials such as concrete and steel are used in our projects, which provides us with similar costs across our business, especially through the use of national accounts with vendors. Additionally, we self-perform most of our projects internally, which limits our use of subcontractors to those providing similar services with similar cost structures.

We execute our projects in a similar fashion with a centralized estimating, project controls and management group, and the risks and rewards of project performance are not affected by the location of the specific project, but on our ability to compete on pricing and execute within our estimated costs. Because our core resources may be deployed to various types of marine construction projects, we have developed a centralized philosophy for operating our business. We utilize the same technology across our business, including estimating and cost control applications.

Our methods used to provide our services is similar. Our assets and labor force are often interchangeable within the various types of marine construction projects. This provides us with the flexibility to manage our business as one operating unit deploying resources based on availability across our business.

We have the same customers with similar funding drivers and market demands across our entire business. Our business wide customers include the US Army Corps of Engineers, US Navy, US Coast Guard, state transportation departments, local port authorities and private customers such as petrochemical terminal operators, private terminal operators and cruise line facilities. We consider funding availability to be similar across our business, particularly in the form of governmental budgeting (federal, state and local) and capital expenditure and maintenance and repair spending by private customers.

Across our business, we comply with macro environmental regulatory environments driven through Federal agencies such as the US Army Corps of Engineers, US Fish and Wildlife Service, US Environmental Protection Agency and the US Occupational Safety and Health Administration, as well as others.

Our business is primarily driven by macro-economic considerations including increases in import/export seaborne transportation, development of energy related infrastructure, cruise line expansion and operations, marine bridge infrastructure development, waterway pipeline crossings and the maintenance of our nation's waterways. These macro drivers are key catalysts for future prospects for work and are similar across our entire business.

We believe that our business is driven by similar economic characteristics across our operating environment, including gross margins and other metrics. In addition, the types of information and internal reports used by our chief operating decision maker (the "CODM") is identical across our business.

The economic similarities discussed above, as well as the tools used by the CODM to monitor performance, evaluate results of operations, allocate resources, and manage the business support a single reportable segment. Accordingly, based on these similarities, we have concluded that our operations represent one reportable segment for purposes of the disclosures included in this Annual Report on Form 10-K.

#### Services Provided

We provide a broad range of heavy civil marine construction services, including new construction, dredging, repair and maintenance, and other specialty services. Therefore, we have the ability to provide our customers a single-source, turnkey solution to service comprehensive marine construction needs.

#### Marine Construction Services

Marine construction services include construction, restoration, maintenance and repair of marine transportation facilities, marine pipelines, bridges and causeways, and marine environmental structures. We have the capability of providing design-build services and may serve as the prime contractor for these types of projects.

Marine transportation facility projects include public port facilities for container ship loading and unloading; cruise ship port facilities; private terminals; special-use Navy terminals, recreational use marinas and docks, and other marine-based

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facilities. These projects typically consist of steel or concrete fabrication dock or mooring structures designed for durability and longevity, and involve driving piles of concrete, pipe or sheet pile to provide a foundation for the port facility structure that we subsequently construct on the piles. We also provide on-going maintenance and repair, inspection services, emergency repair, and demolition and salvage to such facilities.

Our marine pipeline service projects generally include the installation and removal of underwater buried pipeline transmission lines; installation of pipeline intakes and outfalls for industrial facilities; construction of pipeline outfalls for wastewater and industrial discharges; river crossing and directional drilling; creation of hot taps and tie-ins; and inspection, maintenance and repair services.

Our bridge and causeway projects include the construction, repair and maintenance of all types of overwater bridges and causeways, as well as the development of fendering systems in marine environments. We serve as the prime contractor for many of these projects, and some of these are design-build contracts. These projects involve fabricating steel or concrete structures designed for durability and longevity, and involve driving concrete, pipe or sheet pile to create support for the concrete deck roadways that we subsequently construct on the piles. These piles can exceed 50 inches in diameter, can range up to 170 feet in overall length, and are often driven 90 feet into the sea floor.

Marine environmental structure projects may include the installation of concrete mattresses to promote erosion protection; construction of levees to contain environmental mitigation projects, and the installation of geotubes for wetlands and island creation. Such structures are used for erosion control, wetlands creation and environmental remediation.

### Dredging services

Dredging generally enhances or preserves the navigability of waterways or the protection of shorelines through the removal or replenishment of soil, sand or rock. Dredging involves the removal of mud and silt from the channel floor by means of a mechanical backhoe, crane and bucket or cutter suction dredge and pipeline systems. Dredging is integral to marine capital and maintenance projects, including: maintenance for previously deepened waterways and harbors to remove silt, sand and other accumulated sediments; construction of breakwaters, jetties, canals and other marine structures; deepening ship channels and wharves to accommodate larger and deeper draft ships; containing erosion of wetlands and coastal marshes; land reclamation; and beach nourishment and creation of wildlife refuges. Maintenance dredging projects provide a source of recurring revenue as active channels typically require dredging every one to three years due to natural sedimentation. The frequency of maintenance dredging may be accelerated by heavy rainfall or major weather events such as hurricanes. Areas where no natural deep water ports exist, such as the Texas Gulf Coast, require substantial maintenance dredging. We maintain multiple specialty dredges of various sizes and specifications to meet customer needs. In 2012, we expanded the reach of a dredge ladder to enable us to dig deeper and participate further in specialty dredging needs of the oil and gas industry. Our dredging services are typically intertwined with our marine construction services to provide a turn-key solution for our customers.

### Specialty Services

Our specialty services include salvage, demolition, surveying, towing, diving and underwater inspection, excavation and repair. Our diving services are largely performed in shallow water and include inspections, salvage and pile restoration and encapsulation. Our survey services include surveying pipelines and performing hydrographic surveys which determine the configuration of the floors of bodies of water and detect and identify wrecks and other obstructions. Most of these specialty services support our other services and provide an incremental touch-point with our customers.

### Industry and Market Overview



We provide our services to similar customers, or in some cases, the same customers, across our business. These customers may be in diverse end markets, including port expansion and maintenance, bridges, causeways and other marine infrastructure, the cruise industry, the Department of Defense, the oil and gas industry, coastal protection and reclamation, along with hurricane restoration and repair and environmental remediation. We believe that this diversity in our customer base enables us to lessen the negative effects during a downturn in a specific end market and respond quickly to the needs of expanding end markets.

#### Port Expansion and Maintenance

Expected increases in cargo volume and future demands from larger ships transiting the expanded Panama Canal will require ports, especially along the Gulf Coast and Atlantic Seaboard, to expand their dock capacity and port infrastructure to accommodate larger container ships as well as perform additional dredging services to deepen their channels. We provide customers in this sector turnkey services to meet all their port expansion and maintenance work.

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### Bridges and Causeways

According to the American Society of Civil Engineers, as of their most recent report for 2013, 1 in 9 of the nation's bridges are structurally deficient, and the average age of the nation's bridges is 42 years old. We are able to construct or restore overwater bridges, and design, repair, or replace, fendering systems for customers in this sector.

### Marine Infrastructure

The U.S. Marine Transportation System ("MTS") consists of waterways, ports and their intermodal connections, vessels, vehicles, and system users, as well as shipyards and repair facilities crucial to maritime activity. The MTS is primarily an aggregation of federal, state, local and privately owned facilities and private companies. U.S. inland and intracoastal waterways require substantial maintenance and improvement. While waterway usage is increasing, the facilities and supporting systems are aging. In addition, channels and waterways must maintain certain depths to accommodate ship and barge traffic. Natural sedimentation in these channels and waterways require maintenance dredging to maintain navigability. We provide turnkey services to customers in this sector to meet all marine infrastructure project needs.

Our full business complement, including dredging, marine construction, and specialty services, such as diving, survey and inspections are fully utilized by our customers in this area.

### Cruise Industry

An expected increase in cruise ships and cruise ship size has generated a need for substantial port infrastructure development, including planning and construction of new terminals and facilities, as well as on-going maintenance and repair services. These larger vessels require development of new piers and additional dredging services to accommodate deeper drafts. Our service area includes, among others, the ports of Miami, Galveston, Tampa, New Orleans, Canaveral, Juneau, Seattle and the Caribbean Basin, which includes numerous cruise facilities and is the most popular cruise destination in the North American market.

### The Department of Defense and Homeland Security

The US Navy has the responsibility for the maintenance of 39 facilities in the United States, which includes a significant amount of marine infrastructure. We believe the US Navy will continue to maintain strategic facilities, including maintenance and upgrades to its marine facility infrastructure.

The US Coast Guard maintains more than 50,000 federal aids to navigation, which include buoys, lighthouses, day beacons and radio-navigation signals, and additionally has oversight responsibility for over 18,000 highway and railroad bridges that span navigable waterways throughout the country. As part of the Department of Homeland Security, we anticipate that US Coast Guard needs for varied marine construction services, including those listed above, will provide opportunities for us in the future.

### Oil and Gas Industry

We construct, repair and remove underwater pipelines, and provide marine construction and on-going maintenance services for private refineries, terminal facilities and docks, and other critical near shore oil and gas infrastructure. Increased levels of capital expenditures by midstream and downstream oil and gas companies in response to higher energy demand should increase demand for our services.

### U.S. Coastal and Wetland Restoration and Reclamation

We believe that increases in coastal population density and demographic trends will lead to an increase in the number of coastal restoration and reclamation projects, and, as the value of waterside assets rises from a residential and recreational standpoint, the private sector, government agencies and municipalities will increase spending on restoration and reclamation projects.

#### Hurricane Restoration and Repair

Hurricanes are often very destructive to the existing marine infrastructure and natural protection barriers of the prime storm areas of the Gulf Coast, the Atlantic Seaboard and the Caribbean Basin, including bridges, ports, underwater channels and sensitive coastal areas. Typically, restoration and repair opportunities continue for several years after a major hurricane event. These events provide incremental projects to our industry that contribute to a favorable bidding environment and high capacity utilization in our markets.

#### Environmental Remediation

We believe there will be additional funding for the protection of natural habitats, environmental preservation, wetlands creation and remediation for high priority projects in Louisiana and other areas in the markets we serve that will protect and restore sensitive marine and coastal areas, advance ocean science and research, and ensure sustainable use of ocean resources.

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## Customers

Our customers include federal, state and local governmental agencies in the United States, as well as private commercial and industrial enterprises in the US and the Caribbean Basin. Most projects are competitively bid, with the award typically going to the lowest qualified bidder. In 2013, the US Army Corps of Engineers accounted for approximately 12% of our total revenue. Our customer base shifts from time to time depending on the mix of contracts in progress.

The following table represents concentrations of revenue by type of customer for the years ended December 31, 2013, 2012, and 2011.

	2013	%	2012	%	2011	%	
Federal	\$65,926	19	% \$64,049	22	% \$108,123	42	%
State	30,451	9	% 35,799	12	% 48,604	19	%
Local	54,702	15	% 44,626	15	% 40,647	15	%
Private	203,465	57	% 147,568	51	% 62,478	24	%
	\$354,544	100	% \$292,042	100	% \$259,852	100	%

We do not believe that the loss of any single customer, other than the US Army Corps of Engineers, would have a material adverse effect on our operations.

## Backlog

Our contract backlog represents our estimate of the revenues we expect to realize under the portion of the contracts remaining to be performed. Given the typical duration of our contracts, which generally is less than one year, our backlog at any point in time usually represents only a portion of the revenue that we expect to realize during a twelve month period. We include projects in our backlog only when the customer has provided an executed contract, purchase order or change order. Our backlog under contract as of December 31, 2013, was approximately \$247.3 million and at December 31, 2012 was approximately \$184.1 million. These estimates are subject to fluctuations based upon the scope of services to be provided, as well as factors affecting the time required to complete the project. In addition, many projects that make up our backlog may be canceled at any time without penalty; however, we can generally recover actual committed costs and profit on work performed up to the date of cancellation. Although we have not been materially adversely affected by contract cancellations or modifications in the past, we may be so affected in the future, especially during economically uncertain periods. Consequently, backlog is not necessarily indicative of future results. In addition to our backlog under contract, we also have a substantial number of projects in negotiation or pending award at any given time.

## Seasonality and Quarterly Results

Our quarterly revenues and results of operations may fluctuate significantly depending upon the mix, size, scope, and progress schedules of our projects under contract, the productivity of our labor force and the utilization of our equipment. These factors, as well as others affect the rate at which revenue is recognized as projects are completed.

## Competition

We compete with several regional marine construction services companies and a few national marine construction services companies. From time to time, we compete with certain national land-based heavy civil contractors. Our industry is highly fragmented with competitors generally varying within the markets we serve and with few competitors competing in all of the markets we serve or for all of the services that we provide. We believe that our turnkey capability, expertise, experience and reputation for providing safe and timely quality services, safety record and programs, equipment fleet, financial strength, surety bonding capacity, knowledge of local markets and conditions, and project management and estimating abilities allow us to compete effectively. We believe significant barriers to entry exist in the markets in which we operate, including the ability to bond large projects, maritime law

constraints, specialized marine equipment and technical experience; however, a U.S. company that has adequate financial resources, access to technical expertise and specialized equipment may become a competitor.

#### Bonding

In connection with our business, we generally are required to provide various types of surety bonds that provide an additional measure of security for our performance under certain government and private sector contracts. Our ability to obtain surety bonds depends upon our capitalization, adequate working capital, past performance, management expertise, and external factors, including the capacity of the overall surety market. Surety companies consider such factors in light of the amount of our backlog that we have currently bonded and their own current underwriting standards, which may change from time to time. The capacity of the surety market is subject to market-driven fluctuations driven primarily by the level of surety industry losses and the degree of surety market consolidation. The bonds we provide typically are for the contract amount of the project and have face amounts ranging from approximately \$1 million to approximately \$50 million. As of December 31, 2013, we had approximately \$110

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million in surety bonds outstanding. On December 31, 2013, we believe our capacity under our current bonding arrangement, including bonds outstanding, was in excess of \$400 million in aggregate surety bonds.

### Trade Names

We operate under a number of trade names. We consolidate our operations under the brand name "Orion Marine Group, Inc.". We may be known as Orion Marine Group, Orion Marine Construction, Orion Marine Contractors, Orion Diving & Salvage, and Orion Australia, as well as our former names of King Fisher Marine Service, Orion Construction, Misener Marine Construction, Misener Diving & Salvage, F. Miller Construction, Orion Dredging Services, T.W. LaQuay Dredging, Northwest Marine Construction and West Construction. We do not generally register our trademarks with the U.S. Patent & Trademark Office, but instead rely on state and common law protections. While we consider our trade names to be valuable assets, we do not consider any single trademark or trade name to be of such material importance that its absence would cause a material disruption of our business.

### Equipment

We operate and maintain a large and diverse equipment fleet, substantially all of which we own, that includes the following:

Barges - Spud barges, material barges, deck barges, anchor barges and fuel barges are used to provide work platforms for cranes and other equipment, to transport materials to the project site and to provide support for the project at the project site.

Dayboats - Small pushboats, dredge tenders and skiffs are used to shift barges at the project site, to move personnel and to provide general support to the project site.

Tugs - Larger pushboats and tug boats are used to transport barges and other support equipment to and from project site.

Dredges - 24" cutter head suction dredges (diesel), 20" cutter head suction dredge (diesel/electric), 20" cutter head suction dredges (diesel), 16" cutter head suction dredges, and 12" portable cutter head suction dredges are used to provide dredging services at project sites

Cranes - Crawler lattice boom cranes with lift capability from 50 tons to 400 tons and hydraulic rough terrain cranes with lift capability from 15 tons to 60 tons are used to provide lifting and pile driving capabilities on project sites, and to provide bucket work, including mechanical dredging and dragline work, to project sites.

We believe that our equipment generally is well maintained and suitable for our current operations. We have the ability to extend the useful life of our equipment through capital refurbishment at periodic intervals. Most of our fleet is serviced by our own mechanics who work at various maintenance sites and facilities. We are also capable of building, and have built, much of our highly specialized equipment. Our strategy is to move our fleet from project to project as required. We have pledged our owned equipment as collateral under our credit facility.

### Equipment Certification

Some of our equipment requires certification by the U.S. Coast Guard and all that do require certification have been so certified. In addition, where required, our vessels' permissible loading capacities require certification by the American Bureau of Shipping ("ABS"). ABS is an independent classification society which certifies that certain of our larger, seagoing vessels are "in-class," signifying that the vessels have been built and maintained in accordance with ABS standards and applicable U.S. Coast Guard rules and regulations. All of our vessels that are required to be certified by ABS have been certified as "in-class." These certifications indicate that the vessels are structurally capable of operating in open waters, which enhances the mobility of our fleet.

#### Government Regulations

We are required to comply with the macro regulatory requirements of federal, state and local governmental agencies and authorities including the following:

• regulations concerning workplace safety, labor relations and disadvantaged businesses;  
• licensing requirements applicable to shipping and dredging; and  
• permitting and inspection requirements applicable to marine construction projects.

We are also subject to government regulations pursuant to the Dredging Act, the Merchant Marine Act of 1920, commonly referred to as the "Jones Act", the Shipping Act and the Vessel Documentation Act. These statutes require vessels engaged in the transport of merchandise or passengers between two points in the U.S. or dredging in the navigable waters of the U.S. to be documented with a coastwise endorsement, to be owned and controlled by U.S. citizens, to be manned by U.S. crews, and to be built in the

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U.S. The U.S. citizenship ownership and control standards require the vessel-owning entity to be at least 75% U.S.-citizen owned, and prohibit the demise or bareboat chartering of the vessel to any entity that does not meet the 75% U.S. citizen ownership test. These statutes, together with similar requirements for other sectors of the maritime industry, are collectively referred to as “cabotage” laws.

We believe that we are in material compliance with applicable regulatory requirements and have all material licenses required to conduct our operations.

Environmental Matters

General

Our marine infrastructure construction, salvage, demolition, dredging and dredge material disposal activities are subject to stringent and complex federal, state, and local laws and regulations governing environmental protection, including air emissions, water quality, solid waste management, marine and bird species and their habitats, and wetlands. Such laws and regulations may require th