

# POLITICO Pro Q&A: Bollinger Shipyards President and CEO Benjamin Bordelon

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Bollinger Shipyards builds fast response cutters for the Coast Guard, and despite having posts along the coastlines of Louisiana — a coronavirus hot spot — it's staying on track to get those vessels to Key West, Fla., on time.

While Bollinger President and CEO Benjamin Bordelon spoke positively about his workforce, and his shipyard's ability to stay on schedule, a supply chain disruption could happen overnight, making it much more difficult to manage delivery.

"If tomorrow I wake up and we have a supply chain problem that I can't control, we potentially could have a schedule slip," Bordelon said in an interview with POLITICO. "Right now, I actually think we have some slack in the schedule."

A challenge that will remain for the "foreseeable future" though is the supply chain and subcontractor-related risks, Bordelon says. Another major concern is new shipbuilding projects, both commercial and defense. "I think they are going to be few and far between," he said.

Bordelon spoke about new policies to protect his workforce, [which he laid out in a memo](#), how he's keeping the FRC program on track, fears for the future of shipbuilding and what kind of economic fallout he's predicting.

*This transcript has been edited for length and clarity.*

## **What are the steps you've taken to protect your workforce?**

A thing we've heard a lot from our employees about [is] being safe and healthy. I got more phone calls from wives and employees about, "please stay open, please keep our jobs going." I pretty much waived the whole [strict attendance] policy, meaning that if you didn't feel like you wanted to come to work for whatever reason, I wasn't going to hold that against you. If they chose to go home, they typically will not be getting a check from us, but their concern was more "I want to protect whoever in my household [and] not getting exposed or not getting sick."

From a shipbuilding side, to build a boat you have to weld on, you have to cut plate, you have to paint. So you have to be creative in how you're going to manage those folks, which are the lifeblood of our whole company.

I compressed some schedules, so where we weren't working possibly five or six days a week, where we went to four days a week, just to eliminate possibly another day of exposure. What I've also learned is that people want to come back to work. We had some crews that volunteered, that wanted to work overtime. We did that to keep schedule.

## **Are workers receiving pay if they call out of work? Have you implemented a new sick policy?**

Some are just taking vacation. It might be an example like, I don't want to be exposed, so I'm taking a month off. And they just take a month off, no pay. Some are deciding to go on unemployment. Typically you have to be terminated from your job. Unemployment I find has been a little liberal or lax in their normal policies. They're acknowledging that this is a crisis. Some people just want to go home, so they do get on unemployment during that time. I was clear with my employees, I said, man, I can't afford to have half my workforce go home and be paying them.

**Have you provided any other supplies, on top of the respirators and PPE already required of shipbuilders, and are you encouraging your employees to wear masks?**

Some say [wearing a mask] works, some say it doesn't. I have not provided 100 percent in certain situations and scenarios. We do do that if it's really tight quarters. In offices, we don't do it. We have some people that bring their own, and others don't. I'm not providing mass amounts of gloves or face masks at this time. I'm not pushing that everyone needs to walk around with a face mask right now. I haven't worn one ever.

**Have you had any cases of Covid-19?**

We have had some cases of Covid. It's less than 1 percent of my workforce. Louisiana was characterized as a hot bed area. New Orleans more specifically so. We do have some employees that come from New Orleans. And some of the ones that had it were from that area. If we've had an employee's spouse that has tested, or possibly has Covid, we're sending that employee home.

**Have you applied for any federal assistance?**

No, I do not qualify for that. It's based on my size. We don't need it today either. We were deemed an essential business and more importantly we had the workforce that really wanted to come to work. Which gave us the ability to keep building the ships, to keep progressing, to keep invoicing.

**How big is your workforce and how has that number changed since the pandemic?**

We're at about 1,500 right now. A lot of this has been normalizing, but at the height of it, I would say we were about 13 or 14 percent absenteeism for a fairly extended period of time. So managing through that was pretty tough because you staffed up to, like one of the Coast Guard's boats, we deliver the boat almost every 70 days and have a pack time of delivering those ships, and all of a sudden you have 150 people out in any given day, which was tough to manage.

**So how have you been able to stay on schedule?**

In times of crisis, I think that people tend to step up. I've seen that in literally every department we have in our company where people are stepping up. I'm also seeing us take a more targeted approach in daily scheduling and planning. [The four-day work week] also gives us some opportunities on days five, six and seven that if I want to work a minimal crew, by itself, which is easier to self-quarantine to help catch up.

**Have you started to see lower-tier suppliers impacted?**

We have had some issues with some of our subcontractors and vendors. Some of it may be as simple as travel. As an example, you start having travel restrictions from Europe. We have technicians that come from overseas, or we have equipment that comes from overseas. We've had some logistics issues of dealing with, not only my folks getting [to Key West to deliver the vessels], but we've also had vendor issues getting there. Some vendors, their manufacturing facilities may be here in the U.S., but 30 percent of components come from overseas.

What we're doing from a subcontracts management side is constantly communicating with those folks. The good thing about having a product line like we have, on any given day I'll have between 10 and 12 boats under construction. Worst case is, I can possibly rob a part from one of the later boats, that help the earlier boats, to help keep schedule. The Coast Guard has been very accommodating for us, if they have spare parts, they're willing to help us. We have not needed to pull from that inventory. That's another way to help mitigate a risk with our subcontractors. It's going to be a challenge I think for some foreseeable future.

**If there have been delays, have contracting officers allowed for flexibility?**

As of now, we don't have any schedule slips. I think that's probably going to be a small percentage of contractors that are going to be able to do that. The Coast Guard was more than happy to accommodate if we needed more time. Sometimes schedules don't show themselves until later. If tomorrow I wake up and we have a supply chain problem that I can't control, we potentially could have a schedule slip. Right now, I actually think we have some slack in the schedule.

**What economic fallout are you expecting?**

I'm directly affected by the oil and gas prices. I'm seeing some challenges right now with the outlook of commercial projects, shipbuilding projects. I think they are going to be few and far between. You have a supply and demand problem with oil and gas that created these adverse prices for us. I think availability capital is going to be strained, which is going to create strain on new projects for shipbuilding. All of that is going to lead to some tighter times. I think we're going to have a slow progression back.