

Superferry officials confident they can compete with airlines

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Hawaii Superferry officials worry about running into everything from civic opposition to whales, but one thing they don't seem too concerned about is the interisland air fare war.

CEO John Garibaldi has fretted about harbor congestion, lack of docking infrastructure and court delays. But with these problems seemingly vanquished, he's decided not to lose sleep over cheap airline tickets.

"People are always looking for value and affordability," he said. "We offer things the airlines don't."

Taking delivery

Garibaldi made his comments as Hawaii Superferry prepared to take delivery of its first vessel this week.

Sailing Hawaii Superferry will take several times longer than traveling by air but passengers can take their cars. And they can take in the sights from passenger lounges instead of airplane seats.

Hawaii Superferry will need those advantages because it lacks the rate flexibility that airlines enjoy. It has to clear its rates in advance with the state Public Utilities Commission and has approval to charge a minimum fare of \$42 plus a fuel surcharge. Changing fares, whether up or down, will take time.

"We'll be competitive," Garibaldi said.

Whether Hawaii Superferry will be profitable is something that concerns Alan Lerchbacker, the former CEO of Austal USA, which built the ferry.

"I just worry about getting enough business to cover costs because of the sheer size of it," said Lerchbacker, who came to Hawaii to sell the ferry but works in another industry now.

Lerchbacker said he suggested a 72-meter vessel only to see the company order the 100-meter model.

"For a smooth ride on the ocean, that ferry will have to go over 35 knots, and it costs a lot of money on fuel to go that fast," he said. "They may need 400 to 500 passengers to break even."

Capacity: 900 passengers

The 100-meter ferry can carry 80 to 120 vehicles and about 900 passengers, far more than the 86-meter ferry that Austal's Australian shipyard built for service on Lake Ontario. That was the ship that visited Hawaii two years ago when Hawaii Superferry was a new company. The Lake Ontario service, between Rochester, N.Y., and Toronto, was initially plagued by boarding delays at the dock. It eventually shut down for lack of business.

Lerchbacker frets about this, and clearly thinks Hawaii Superferry should have gotten a smaller boat, but he doesn't want the venture to fail.

"I love the ferry," he said. "I think Hawaii's gonna love it."

First vessel gets ready to sail

Hawaii Superferry took delivery of its first ferry this week at the shipyard in Mobile, Ala., putting it on track for a July launch.

The vessel itself was put on rails Thursday to roll it onto a barge, which was then submerged to allow the boat to float on its own.

After a Hawaiian blessing Saturday, engineers were to let the ferry float for hours or days before actually sailing it somewhere, while they checked it for structural integrity and balance.

Five licensed officers, who already have been identified and who start in March, will take control of the ferry in April and sail it to Hawaii. By May they will be training a crew. Revenue service is set for July.

The company expects to need 22 to 26 officers and crew to work the ferry, depending on how many passengers are served.

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