SEACOR Holdings Inc.

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September 13, 2013

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856

Email: director@fasb.org

RE: File Reference No. 2013-270, FASB Exposure Draft: *Leases*

Dear Board Members:

We are writing in response to the Financial Accounting Standards Board's Exposure Draft on Leases (Topic 842), ("ED"). We believe the adoption of this ED will have negative consequences for our company and we appreciate this opportunity to provide the Board with our major concerns. Primarily, we are concerned that the application of the ED to the time charter of our Offshore Marine, Inland River and Shipping Services' vessels will distort the legal and economic realities of our business. We do not believe that the proposed accounting model improves upon the existing model that we currently use today, specifically as it pertains to revenue recognition.

As a member of the Offshore Marine Service Association ("OMSA"), we fully endorse the positions and conclusions of OMSA's response letter to the ED dated September 13, 2013. We have also read a number of other response letters that have been submitted to the Board from various members of the offshore oil and gas service community and have noted similar concerns regarding the practical application of the ED within our industry. Without repeating all of the detailed arguments, we would highlight the following points that have been raised:

- A time charter of a vessel is not a legal or economic lease of a vessel.
- We are fundamentally opposed to any accounting model that treats underlying equipment operated in the delivery of services as "leased" equipment.
- Implementation of the ED would result in an accounting model that would be overly complex for lessors, lessees and users of financial statements.
- The frequent determination of current fair values and future residual values of our vessels would be highly subjective.
- The cost of implementing the ED would far outweigh its presumed benefits.

An important noted consequence of the ED will be the negative implications for investors and users of our financial information due to the underlying distortion of standard industry reporting metrics. We provide the following as further support:

The offshore support vessel industry has historically used standard metrics to explain results in a simple, consistent and understandable manner. One of the most important of the reporting metrics is average day rate ("day rate"), which is a simple computation based on time charter revenues earned divided by the number of days worked. Industry participants maintain day rate records for each individual asset and by so doing monitor financial returns for the individual assets. This information is critical in the analysis of past, current and future performance, the evaluation of investment opportunities and the comparability of financial performance between industry participants. Day rate trends provide simple but meaningful insights into the way the offshore support vessel markets move. Bifurcation of lease and non-lease components of time charter day rates provides no inherent analytical value to our managers or investors.

The day rate metric is also a critical component of our Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Forms 10-Q and 10-K filings with the Securities and Exchange Commission ("SEC") and in our Press Releases announcing and discussing quarterly earnings. In recent years, the SEC has encouraged companies to discuss financial results in simple terms and, for our industry, the acceptable discussion has been in the context of a Price/Volume analysis. This analysis involves discussion of Price in terms of average day rates and Volume in terms of utilization. An analysis under the new lease accounting rules would be difficult and expensive to prepare. Most importantly, the blending of average day rates as reported under multiple revenue recognition models (lease and non-lease components) and based on the duration of a time charter and the classification of an underlying lease component would result in a less meaningful reporting metric. In addition, our managers and certain investors will still want to know the overall time charter metrics as currently prepared (a non-GAAP measure under the ED) which would result in the expensive and cumbersome maintenance of separate records.

Recent Press Releases for our company and one of our competitors, GulfMark Offshore, Inc., serve to illustrate the importance of the average day rate metric in explaining results to investors:

SEACOR Holdings Announces Results for Its Second Quarter Ended June 30, 2013

Press Release: SEACOR Holdings Inc. – Tue, Jul 30, 2013 4:48 PM EDT

Highlights for the Quarter

In the U.S. Gulf of Mexico, operating revenues were $2.3 million higher in the second quarter.... Time charter revenues for other vessel classes were $2.9 million higher primarily due to improved utilization and ***higher day rates*** *for the Company's supply vessels. Utilization in the U.S. Gulf of Mexico was 78.6% compared with 73.7% in the preceding quarter and* ***average day rates increased from $15,119 per day to $15,267 per day****.*

GulfMark Offshore Announces Second Quarter 2013 Operating Results
Press Release: GulfMark Offshore, Inc. – Mon, Jul 22, 2013 6:00 PM EDT

Consolidated Second Quarter Results

Consolidated revenue for the second quarter of 2013 was $111.3 million, an increase of 15%, or $14.5 million, from the first quarter of 2013. The sequential increase in quarterly revenue was ***largely the result of the increase in the average day rate*** *and utilization in both the Americas and Southeast Asia regions. Consolidated operating income was $16.9 million, up $7.9 million from the first quarter amount. The sequential increase in quarterly operating income was a combination of the aforementioned increase in revenue, offset by an increase in drydock expense.*

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We are firmly of the opinion that the implementation of the ED would introduce significant judgments and complexity into our revenue recognition process, reduce the understanding and transparency of our financial results with our managers and investors, reduce the comparability of financial information across our industry, and will significantly increase our administrative costs. This would be harmful to our investors as well as other users of our financial information.

We therefore request that the Board reconsider its definition of a "lease" to expressly exclude the characteristics of time charters or, alternatively, consider removing time charters from the scope of the ED. Additionally, we request the Board reconsider the overall benefits of the ED to the investing community compared with the substantial costs that companies will incur to comply.

Respectfully,

Richard Ryan
Chief Financial Officer

Matthew Cenac
Chief Accounting Officer