



16713/5/2
May 31, 2022

Jonathan K. Waldron, Esq.
Blank Rome
1825 Eye Street, NW
Washington, DC 20006

Dear Mr. Waldron:

I am writing in response to your letter of March 21, 2022, and its attachments written on behalf of Philly Ship, Inc. ("PSI") with regard to their construction of four National Security Multi-Mission Vessels (the "Vessels") for the U.S. Department of Transportation Maritime Administration. The subject Vessels will be new training ships for the U.S. maritime academies but will be designed and equipped to provide support during disaster relief operations and other humanitarian missions. You requested confirmation that, notwithstanding the construction of the Vessels with certain foreign-sourced and foreign-fabricated components, they will nevertheless be deemed to have been built in the U.S. in accordance with 46 C.F.R. § 67.97 and, consequently, that their manner of construction will not adversely affect the coastwise eligibility of the Vessels.

As is our practice, we referred your letter and its attachments to the Coast Guard's Naval Architecture Division ("NAD") in order that we may benefit from their review and analysis and take it into account in formulating our determination.

Also, as you are clearly very familiar with the applicable regulatory standard from your previous U.S. build determination requests on behalf of PSI and otherwise (as well as from your letter accompanying this one), a number of which you have cited in support of the use of certain of the same, or same type of, foreign-sourced and foreign-fabricated components to be used in the construction of the Vessels in this case, I will dispense with a discussion of the regulatory standard set forth at 46 C.F.R § 67.97, as it has evolved and been applied, and move directly to consideration of those particular components and their impact overall on this determination.

The Steel Weights of the Vessels

For the purpose of the application of the regulatory standard and the discussion that follows, the NAD has found that your estimate of the discounted steel weight of the Vessels of 7,073 Mtons is acceptable and I accept that finding for the purpose of this determination.

Incorporation of Foreign-Fabricated Components

The foreign-fabricated components to be incorporated into the Vessels during construction will include the following: (i) a number of weathertight and watertight doors, vent closures and maintenance hatches (26.9 Mtons in total); (ii) rudder trunk assembly (8.0 Mtons); (iii) side ramp (14.8 Mtons*); (iv) bow thruster tunnel (6.5 Mtons); (v) stern thruster assembly and tunnel (7.8 Mtons in total); (vi) stern boss casting (28.6 Mtons); and (vii) stern tube and casting (2.1 Mtons in total). The aggregate steel weight of these components was found by the NAD to be 94.7 Mtons.

*The total weight of the side ramp, as depicted in your attachment 4, is 35.04 Mtons. However, it is comprised of three hinged ramp sections that fold up when the ramp is in its stowed position and the NAD found that just one of those sections (14.8 Mtons) provided the watertight hull closure required by loadline regulations. Consequently, the weight of only that one section has been taken into account here and the other sections have been considered to be solely cargo-handling components which need not be included in the calculation of the foreign steel weight limit.

Based upon the discounted steel weight of the Vessels of 7,073 Mtons, the aggregate steel weight of the components discussed above of 94.7 Mtons amounts to 1.34%, or less than the aggregated limit of 1.5% established by precedent to ascertain “major components” under 46 C.F.R. § 67.97(a).

Use of Shipbuilding Bulb Flats

An unspecified amount of foreign-sourced bulb flats will be used. However, these will be delivered from the foreign steel mill in unworked condition. Consequently, in accordance with the precedent established by numerous prior determinations, their weight need not be included toward the weight limit for foreign-sourced components.

Use of Pre-Assembled Equipment Modules

Several foreign-fabricated and pre-assembled engine room machinery modules will be incorporated into the Vessels during construction. However, in accordance with well-established precedent, these need not be included in the calculation of the foreign steel weight limit. Moreover, since these modules will be assembled into the Vessels in the U.S., the pre-assembly of these modules themselves at a foreign location will not violate the “assembled entirely in the United States” requirement of 46 C.F.R. § 67.97(b).

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In light of all of the foregoing, and based upon the information you have provided, I conclude and confirm that the construction of the Vessels in the manner described will not adversely affect their status as having been built in the U.S. and that, accordingly, they will be eligible to be documented with Certificates of Documentation endorsed for coastwise trade upon completion of construction.

Sincerely,

A handwritten signature in cursive script that reads "Christina M. Washburn". The signature is written in black ink and includes a long horizontal flourish at the end.

Christina Washburn
Director