



16713/5/2
April 19, 2022

David R. Boyajian, Esq.
Schwabe, Williamson & Wyatt
Pacwest Center
1211 SW 5th, Suite 1900
Portland, OR 97204

Dear Mr. Boyajian:

I am writing in response to your letter of April 7, 2022, on behalf of Vigor Fab, LLC ("Vigor"). You requested confirmation from the National Vessel Documentation Center ("NVDC") that based on the proposed build details you provided, the new Hybrid Electric Olympic Class Ferries (the "Vessels") which Vigor is in negotiations to construct for the Washington State Ferry System will, when completed, be deemed to have been built in the U.S. pursuant to 46 C.F.R. § 67.97 and as such, eligible to be documented with coastwise endorsements and qualified to engage in the coastwise trades of the U.S.

More specifically, you requested confirmation that the foreign fabrication of certain components, if assembled into the Vessels at a U.S. shipyard, would not cause the Vessels to be deemed to not have been built in the U.S. and, accordingly, render them ineligible to engage in the coastwise trades of the U.S. Those components and information as to each, including weights, were itemized and described in your letter. You also offered on behalf of Vigor to provide certain confidential and proprietary schematic drawings for our review and to aid in the determination requested if necessary.

As is our practice, we referred your letter and its enclosures to the Coast Guard's Naval Architecture Division ("NAD") for preliminary review and analysis.

After conferring with the NAD we have agreed that the schematic drawings you offered to provide will not be necessary in this case. Moreover, because of your familiarity with past determinations as well as with the Review Criteria Memorandum which is made publicly available on the NVDC's website, together with the fact that the components in question do not appear to present novel issues or considerations for our review, it is my view, consistent with the views of the NAD, that a more abbreviated response than might be typical is possible and appropriate in this case. That being said, I will proceed to address the components referenced in your inquiry.

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As a preliminary matter, the NAD has assessed that your calculation of the discounted steel weight of the Vessels at 2,207 Ltons is acceptable in this case and I also accept that assessment. That being the case, and as you correctly observed, application of the 1½% aggregate standard for determination of “major components” under 46 C.F.R. § 67.97 results in a maximum threshold for the incorporation of foreign-fabricated components deemed to be “major components” at 33 Ltons.

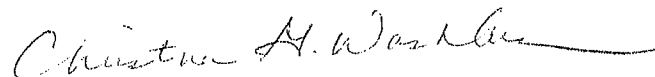
Next, of the six foreign-fabricated steel components identified in your letter, you have correctly segregated and excluded four of those components from further consideration as not being classified by past rulings and NAD analysis as components of the hull or superstructure. Those four are the propeller, propeller shaft, rudder and rudder stock. With regard to these components, as long as they are assembled into the Vessels in a shipyard of the U.S. (as your letter reflects will be the case), the fact that they may be foreign-fabricated is not a relevant consideration for this determination.

Finally, the remaining two of the six identified components, and the quantities (2) of each one, are the stern tube(s) and the rudder trunk(s). You have properly identified these as components whose weights must be taken into consideration. The NAD has concurred, and concurred as well as to their combined aggregate steel weight of 14.92 Ltons. This is well less than the threshold of 33 Ltons for what would be deemed “major components of 33 Ltons in this case as set forth above.

Consequently, because the Vessels will be assembled entirely in the U.S., and because there will be no “major components” of the hull or superstructure not fabricated in the U.S., the two-pronged test of 46 C.F.R. § 67.97 will have been met.

In light of the foregoing, and based on the information you have provided, I conclude and confirm that the construction of the Vessels, including the use of foreign-fabricated components as 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,



Christina G. Washburn
Director