



August 5, 2009

U.S. Customs and Border Protection
Office of International Trade, Regulations and Rulings
Trade and Commercial Regulations Branch
799 9th Street NW, Mint Annex
Washington, D.C. 20229

SUBJECT: Support for July 17, 2009 Jones Act Modification Notice

To Whom It May Concern:

Bollinger Shipyards, Inc. is the leading provider of quality construction, repair, and conversion products and services to both the military and commercial marine industry. As your Agency considers the implications of adopting the recent determination made regarding the application of our Nation's coastwise laws to the carriage of merchandise by vessels serving offshore oil and gas facilities in the Gulf of Mexico, we wanted you to know first hand how important your decision would be for our company. The decision will have a significant impact on our employees and our company, as well as the industries we serve.

Family owned and operated since 1946, Bollinger Shipyards specializes in a wide variety of offshore and inland vessels. We currently operate 13 shipyards, all of which are ISO 9001:2008 registered and strategically located throughout Southern Louisiana and Texas, with direct access to the central Gulf of Mexico and the Mississippi River. With 40 dry docks ranging in capacity from 100 tons to 22,000 tons, Bollinger Shipyards provides a wide variety of dry-docks and services for both shallow and deepwater vessels and rigs.

We continue to make significant investments in our facilities to keep them the most extensive and sophisticated facilities of any of their size. We are eager to provide complete marine service, with a myriad of products and services such as in-stock spare parts and unique specially ordered emergency repair parts, propellers, armature rewinding, carpentry and numerous other support items. Our experienced staff of technical advisors, task managers, and quality assurance personnel is eager to exceed our customers' expectations and requirements. Our highly skilled craftsmen strive for excellence and ensure that they do everything possible to deliver quality products on time and on budget.

At Bollinger, we take pride in our reputation for building quality vessels and equipment. Bollinger has built tugs, pushboats, offshore supply vessels, fishing vessels, crewboats, offshore and inshore barges, dredges, patrol boats, lift boats, casino vessels, drilling rigs, oil skimmers, power barges, OPA '90 tank barges, ATBs, and all types of special purpose vessels. Our facilities

ISO 9001

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are second to none. We have 461,000 square feet of space available for "under roof" construction. In addition, cutting and machining are performed using state-of-the-art equipment and computer aided manufacturing -- making our facilities complete by all standards.

Given our historic and ongoing investments, we encourage efforts by the federal government to ensure that cargo transported to offshore oil and gas facilities be carried by U.S.-flag vessels.

Such a determination by the U.S. Customs and Border Protection is needed. Your agency should act to ensure that U.S.-flag vessels carry merchandise to offshore facilities. We believe this to be the clear and unmistakable Congressional intent underlying enactment of the Jones Act and other our Nation's coastwise laws. The United States Congress has historically defended this concept in order to support American businesses and American jobs. It is more important than ever before that the our coastwise laws be interpreted in a manner that supports American workers and produces local business development opportunities for American companies that would otherwise benefit foreign companies and foreign workers.

Thank you for the chance to submit comments on this proposed modification. We would welcome the opportunity to build more vessels and service an expanded domestic merchant marine industry.

Sincerely,

BOLLINGER SHIPYARDS, INC.



Chris Bollinger
Executive Vice President
of New Construction

CBB:scr

U.S. Chamber of Commerce

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August 6, 2009

Ann Beauchesne
Vice President
National Security & Emergency Preparedness Department

The Honorable Jayson P. Ahern
Acting Commissioner
U.S. Customs and Border Protection
Washington, D.C. 20229

Dear Acting Commissioner Ahern:

The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, respectfully requests an extension of the comment period on the proposal to change the current interpretation of the Jones Act (46 USC 55102). On July 18, 2009, Customs and Border Protection issued a regulatory change to the Jones Act and requested comments back from industry by August 16. The Chamber respectfully requests an additional 90 days, due to the large regulatory shift in this interpretation and the massive impact that it would have on the global economy.

Businesses involved with deepwater oil and gas exploration rely on the current interpretation of the Jones Act to ensure that their supply chains function smoothly and efficiently. Any modification would overturn 30 years of government precedent and business practice. This action also appears to violate the April 2 pledge by the United States and other G20 nations to "refrain from raising new barriers to investment or to trade in goods and services." Consequently, this move should receive due deliberation and involve full industry input.

Oil and gas are vital economic resources that dramatically impact the capabilities of our economy. There is no question that this expensive change would reverberate from businesses to consumers and to the broader economy. During this global recession we cannot afford to make expensive changes to our supply chain without allowing appropriate time to examine the economic impact they would have.

The Chamber would like to thank you for the opportunity to submit these comments. We look forward to working together on this regulation in an efficient and economically conscious fashion.

Sincerely,

A handwritten signature in black ink that reads "Ann M. Beauchesne". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ann M. Beauchesne

ATLAS BOATS, INC.

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August 07, 2009

U. S. Customs and Border Protection
Office of International Trade, Regulations and Rulings
ATTN: Trade and Commercial Regulations Branch
The Mint Annex
799 9th Street N. W.
Washington, D.C. 20229

Re: Support for Customs "Jones Act" Ruling

Dear Sir or Madam:

My company, Atlas Boats, Inc., is a small marine transport company based out of Belle Chasse, Louisiana. We work in the Gulf of Mexico. We are also a member of the Offshore Marine Service Association, "OMSA".

I think your proposed ruling is an accurate reading of the Jones Act. This is because it would ensure that boats transporting supplies between offshore points must be owned and operated by U.S. companies and citizens. Allowing this work to be done by foreign operations hurts the U.S. merchant marine and hurts our own economy.

I support your interpretation and hope you will soon adopt it. Operations in the Gulf of Mexico have been going to foreign-flag vessel operators for too long – and it's only getting worse as they push the envelope to get work that was surely intended to go to U.S. companies. We were encouraged with your July 17, 2009 publication because we think it will make certain, once and for all, that merchandise delivered to offshore oil and gas points is carried by U.S. owned and operated vessels. This will in turn spur more investment in the U.S. fleet, support more local jobs, and create additional business opportunities in a down economy for small businesses like mine.



FLEET OPERATORS, INC.

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E-MAIL: info@fleetoperators.com • WEBSITE: www.fleetoperators.com

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United States Customs and Border Protection
Office of International Trade, Regulations and Rulings
799 9th Street NW, Mint Annex
Washington, District of Columbia 20229

Trade and Commercial Regulations Branch

To Whom It May Concern:

My company has over 40 years of experience operating marine vessels in the Gulf of Mexico. *Fleet Operators, Inc* is a Louisiana-based company established in 1986 that owns and operates offshore utility and supply vessels in support of the exploration and production of oil and gas in the Gulf of Mexico. Our fleet of versatile utility boats offers everything needed for jobs such as offshore drilling, production, construction, and offshore maintenance.

I am writing to support your recent proposal about the use of Jones Act vessels to serve the oil and gas industry in the Gulf of Mexico. Customs got it right. We think you should implement the July 17th proposal as soon as possible in order to spur additional business opportunities for U.S. companies like *Fleet Operators Inc.*

We are prepared to meet the demands for domestic offshore industry. Our fleet of supply and utility vessels includes the M/V Piper, M/V Madison, M/V Susan, M/V Madeline, and M/V Gari Ellen. Ranging from 110 to 140 feet in length, our boats can be configured to meet an endless array of special needs.

Given our substantial investment in our marine fleet to serve the American oil and gas industry, we believe your agency should insist as a matter of law that cargo transported to offshore oil or gas facilities is carried by U.S. flag vessels. We would appreciate this assistance from the U.S. Government as the American economy works to right itself and we have a shot at growing our business.

Thank you for considering our comments.

Sincerely,

Summer Barousse
Fleet Operators, Inc.

ALABAMA STATE  PORT AUTHORITY

August 7, 2009

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Mr. Glen Vereb
Chief
Entry Procedures & Carriers Branch
U.S. Customs and Border Protection
1300 Pennsylvania Ave, NW
Washington, D. C. 20229

Dear Mr. Vereb:

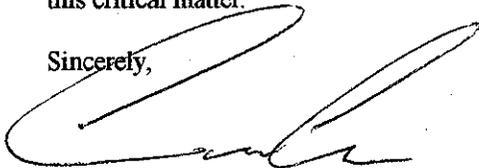
The Alabama State Port Authority is formally expressing concerns over recent U.S. Customs and Border Protection (CBP) interpretations of the Jones Act, 46 USC 55102 that would adversely impact the U.S. offshore oil and gas industry. The CBP, in a 17 July Notice, proposed to modify and revoke ruling letters relating to Customs' positions on Jones Act application in the transportation of certain merchandise and equipment between coastwise points.

The Alabama State Port Authority owns and operates the public terminals in the 10th largest U.S. seaport by total trade. The Port of Mobile serves as vital transportation infrastructure for offshore oil and gas production, service and manufacturing companies engaged in the manufacture and transportation of offshore energy exploration and development "equipment" that appears to be poised for re-categorization as "merchandise" vastly changing the ground rules on best how to develop and sustain this country's deepwater market. These companies represent millions in capital investment and employ thousands from the Central Gulf regional area. Further, these companies rely on sophisticated and highly specialized vessels to support subsea installations and offshore production units. A reversal of nearly 30 years of precedent setting policy that has allowed foreign flag vessels to carry such equipment, would force the offshore oil and gas industry and its indirect industries to rely on U.S. flagged vessels to fulfill waterborne transportation obligations. Currently, it is estimated that the U.S. flagged fleet can fill approximately 20 percent of the needed capacity to service the deepwater oil and gas market. We have received notice from our customers engaged in this market that their manufacturing and service bases are threatened by this proposed policy shift, possibly resulting in the closing of facilities.

The Alabama State Port Authority respectfully urges your immediate review of the proposal and its potential economic consequences and requests Customs and Border Protection extend the comment period 90 days so that impacts of this Notice can be fully evaluated.

Please do not hesitate to contact me for additional information if needed. Thank you for your attention on this critical matter.

Sincerely,



James K. Lyons
Director and CEO

C: The Honorable Richard Shelby, U.S. Senate
The Honorable Jeff Sessions, U.S. Senate
The Honorable Jo Bonner, U.S. House of Representatives



Thomas J. Bethel
National President

08/13

American Maritime Officers

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Affiliated with SIUNA, AFL-CIO

ISO CERTIFIED

August 10, 2009

U.S. Customs and Border Protection
Office of International Trade, Regulations and Rulings
Attention: Trade and Commercial Regulations Branch
799 9th Street NW, Mint Annex
Washington DC 20229

RE: Proposed Modification and Revocation of Ruling Letters Relating to the Customs Position on the Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points — July 17, 2009

American Maritime Officers, which represents U.S. Coast Guard-licensed merchant marine officers employed on U.S.-flagged merchant vessels in domestic and international trades, appreciates the opportunity to comment for the record on the proposal by Customs and Border Protection to modify or revoke several CBP rulings known to have been harmful to the Jones Act of 1920.

AMO has been visible and vocal in defense of the Jones Act, which restricts all domestic waterborne trade to merchant vessels owned, built, flagged and manned in the United States. The Jones Act has endured as federal law for 89 years because it serves legitimate and lasting U.S. economic and national security interests.

In our view, the Jones Act is clear enough in purpose and specific enough in language to defy broad interpretation, and we commend Customs and Border Protection for revisiting specific rulings for the long-term benefit of U.S.-flagged merchant vessel operating companies and the American merchant mariners these companies employ in domestic trades. We welcome the agency's effort to tighten Jones Act applicability and enforcement in offshore energy markets in the Gulf of Mexico.

The ideal outcome here would be for existing Jones Act vessels to move into Gulf markets upon adoption of the CBP proposal in December 2009, and for U.S. businesses to invest private capital in additional Jones Act vessels suitable for specific offshore services in the Gulf of Mexico.

But the reality could be completely different. Foreign-flagged merchant vessels manned by foreign nationals have a 30-year competitive head start in the lucrative

Gulf markets — an artificial advantage resulting in significant part from the rulings Customs and Border Protection now intends to modify or revoke.

As a consequence, there may not be enough Jones Act tonnage to meet immediate demand in the Gulf. Moreover, the construction of additional Jones Act vessels for offshore services in the Gulf would take years to complete — assuming that potential investors can obtain financing under current commercial credit market conditions.

Under these circumstances, critics of the Customs and Border Protection proposal could pressure the agency to waive the Jones Act in the Gulf of Mexico, possibly for an indefinite time — and CBP may have no choice but to comply.

These critics would argue that the existing Jones Act fleet is inadequate in number and design for offshore services in the Gulf — even though adoption of the CBP proposal would hasten the fleet's expansion. They would argue as well that there are too few qualified U.S. merchant marine officers to man the vessels — an argument that is as failed as it is familiar.

One sound alternative to a Gulf of Mexico Jones Act waiver would be to bring the fleet of foreign-flagged and manned vessels now providing offshore services into U.S. registry temporarily — and to man these vessels with U.S. merchant marine officers.

Another practical option would be to permit time-limited foreign-flagged Gulf of Mexico service — with the requirements that these vessels employ U.S. merchant marine officers, and that they withdraw from Gulf trade as suitable Jones Act vessels become available.

American Maritime Officers — the nation's largest union of licensed seagoing professionals — would be able to meet this new demand for engine and deck officers seamlessly and efficiently. AMO has a large and ever-growing membership and extensive and direct experience in Jones Act markets along the U.S. coasts, on the Great Lakes and on inland waterways.

In addition, the AMO Safety and Education Plan's Simulation, Training, Assessment and Research Center in Dania Beach, Florida (STAR Center) — acknowledged widely as the world's most comprehensive and advanced training, certification and license upgrading resource for merchant marine officers — would replenish this skilled licensed labor pool routinely with full-mission simulator training designed specifically for offshore services in the Gulf of Mexico.

A Gulf offshore fleet in transition from foreign flag to U.S. flag — with a fleet-wide complement of skilled, qualified and reliable U.S. merchant marine officers working under competitive but rewarding contracts — would permit uninterrupted service without compromising the Jones Act, and without the need for a waiver that would render the current Customs and Border Protection effort pointless and wasteful.



The Jones Act is an increasingly important national asset. The law accounts for hundreds of thousands of jobs nationwide at sea and ashore, billions in private capital investment in vessels and infrastructure, and millions of dollars in federal, state and local tax revenues each year.

More importantly, the Jones Act enhances U.S. national security by sustaining ships and skilled, dependable maritime manpower for strategic sealift and other military support services during defense emergencies. Jones Act vessels have been chartered by the U.S. Navy's Military Sealift Command for overseas service, and more than 80 percent of the U.S. citizen civilian seafarers who manned government-owned or chartered U.S.-flagged sealift ships to the Persian Gulf in support of Operation Iraqi Freedom began their seagoing careers in the Jones Act fleet.

These truths are acknowledged in the pending Customs and Border Protection proposal, which would effectively close loopholes that have denied U.S.-flagged merchant vessel operators and American merchant mariners access to offshore routes in the Gulf of Mexico for much too long.

American Maritime Officers supports the CBP initiative, and we ask respectfully that objective consideration be given to our proposals for the manning of U.S.-reflagged or foreign-flagged Gulf offshore vessels by U.S. merchant marine officers while a Jones Act fleet develops sufficiently for these routes.

Thank you for your time and attention.

Sincerely,



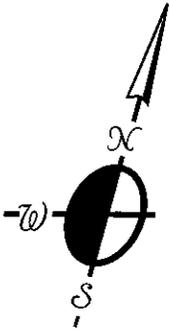
Thomas J. Bethel
National President

TJB:jgb



D8/10/09

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EASTERN SHIPBUILDING GROUP

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ATTN: Trade and Commercial Regulations Branch
Office of International Trade, Regulations and Rulings
United States Customs and Border Protection
799 9th Street NW
The Mint Annex
Washington, DC 20229

IN REPLY TO: JULY 17, 2009 COASTWISE LAW MODIFICATION NOTICE

Dear Sir or Madam:

On behalf of Eastern Shipbuilding Group, a shipbuilding and marine repair company, I am writing to encourage your adoption and implementation of the above-referenced Notice.

Our Company

Eastern Shipbuilding Group is a shipbuilding and marine repair company on the Gulf Coast of Florida. We have been in business for 30 years and have established a reputation for building quality commercial vessels. We have two shipyards in Bay County, Florida, employing almost 700 permanent production craftsmen. Our primary business is constructing oil rig supply vessels for the offshore oil industry and commercial tug and towboats. A recent economic study estimated that Eastern Shipbuilding contributes approximately \$300 million to the local economy annually. Even in a troubled market, our reputation has enabled us to maintain employment levels and continue to secure contracts.

Comments on the July 17 Customs Notice

Because of our historic and ongoing investments in the U.S. maritime industry, we strongly support and encourage efforts by your Agency to ensure that cargo will be transported to offshore oil and gas facilities by vessels built in the United States. The adoption of the Jones Act Modification Notice will strengthen our business. By providing clear rules to serving the domestic oil

and gas industry, and for our own maritime industry, you will encourage companies such as ours to continue to support the strongest possible U.S. flag fleet.

We believe this rulemaking will clarify the Congressional objectives of the Jones Act and other national coastwise laws. Congress itself has defended this concept in order to support American businesses, American jobs, and the American economy as well as maintaining a viable merchant marine fleet.

We appreciate the opportunity to submit these comments.

Respectfully yours,

A handwritten signature in cursive script that reads "Lisa Barnes".

Lisa Barnes
Project Manager
Special Projects

United States Senate

WASHINGTON, DC 20510

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August 11th, 2009

Mr. Jayson P. Ahern
Acting Commissioner
U.S. Customs and Border Protection
1300 Pennsylvania Avenue, NW
Washington, DC 20229

Dear Commissioner Ahern:

We write to express our views on the determination made by your agency with respect to the application of our Nation's coastwise laws to the carriage of merchandise by vessels to offshore oil facilities, as published on July 17, 2009. Those laws reserve maritime transportation of cargo and passengers between two points or places in the United States to vessels that are built in the United States, owned by U.S. citizens, and crewed by U.S. citizens.

We agree with your agency's determination that cargo transported by a vessel to an offshore oil or gas facility must be carried in compliance with our coastwise laws, whereas "vessel equipment" (namely, equipment that is necessary and appropriate for the navigation, operation or maintenance of the vessel or for the comfort and safety of the persons on board) is not subject to those laws. Your analysis is consistent with the Congressional purpose in enacting the coastwise laws and our continued goal of promoting a strong U.S. merchant marine.

We also wish to address two related matters. When Congress passed the Outer Continental Shelf Lands Act in 1953 (OCSLA), it provided that the laws of the United States are extended to "the subsoil and seabed of the outer Continental Shelf," as well as to installations attached to the seabed for the exploration, development, production and transportation for and of mineral resources. Notably, the laws of the United States specifically were made applicable to the subsoil and seabed. As the Conferees stated, U.S. laws were extended to the subsoil and seabed themselves "instead of merely to the natural resources of the subsoil and seabed."

Thirty years after the enactment of OCSLA, in 1983, the President issued a proclamation that asserted U.S. sovereignty over the seabed and super adjacent waters of the Exclusive Economic Zone for the purpose of exploiting natural resources, including the production of energy from water currents and wind. Subsequently, in the Energy Policy Act of 2005, Congress amended OCSLA to recognize the authority of the United States to lease the seabed of the OCS for the purpose of development of renewable energy resources. As a result of these actions, U.S. laws such as our coastwise laws govern activities related to the development of both minerals and renewable energy on the outer Continental Shelf.

We appreciate the opportunity to share our views with respect to these important matters.

Sincerely,

Mary Landrum W. M. M. M.

Jay R. Ruppelle Frank R. Lankenberg

Daniel Vitter

International Chamber of Shipping

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11 August 2009

URGENT

US Customs and Border Protection
Office of International Trade, Regulations and Rulings

Attention: Trade and Commercial Regulations Branch
799 9th Street N.W.
Mint Annex
Washington D.C. 20229
UNITED STATES

**PROPOSED MODIFICATION AND REVOCATION OF RULING LETTERS
RELATING TO THE APPLICATION OF THE JONES ACT TO THE
TRANSPORTATION OF CERTAIN MERCHANDISE AND EQUIPMENT
BETWEEN COASTWISE POINTS**

Comments by the International Chamber of Shipping

These comments are made on behalf of the International Chamber of Shipping (ICS), which is the principal international trade association for shipowners and operators comprising national shipowners' associations from 36 nations, representing about 75% of world shipping tonnage. We wish to comment on the proposed modification, referred to above, contained in Customs Bulletin and Decisions, Volume 43, No 28, July 17 2009.

We are very concerned by this proposal which will remove exemptions to the Jones Act that we understand have applied to certain offshore activities, involving foreign flag vessels, for several decades. We are especially concerned about the negative signal which this proposal conveys with regard to the approach taken by the United States towards the maintenance of free trade principles and relations with its trading partners.

We are particularly disturbed by the very short notice period for comment on changes that will have serious implications for international offshore operators that are members of some of those national shipowners' associations which we represent. Some of these foreign operators have invested many millions of dollars in specialist ships and equipment in order to provide services to the US offshore industry, which may have to be suspended in little more than 2 months'

time. We feel that this extremely short notice period is outside the normal expectations of arrangements between the United States and its trading partners. This is particularly unfortunate given the current global economic downturn, and sets a negative example which could be emulated by other nations around the world.

We acknowledge (although we do not support) the US rationale underlying the Jones Act, and that the stated reason for the proposed change is one of legal interpretation prompted by US operators. In so far as it may be relevant, however, it is emphasised that foreign flag operators providing services to the US offshore industry must comply with international standards regarding safety, environmental protection, seafarer training and security, to which the US is a Party through IMO Conventions. Although perhaps not directly relevant to the legal technicalities for the proposed modification, ostensible concerns about safety and security are not a valid pretext for what will be perceived outside the US as protectionism that goes against the spirit (if not the letter) of the free trade principles to which the US is committed as a member of the World Trade Organization.

Because of the very short notice period during the holiday season, we regret it has not been possible to submit more detailed comments. However, we also wish to associate ourselves with comments being submitted by the International Maritime Contractors' Association (IMCA).

We respectfully request an extension of time in which further comments may be submitted, particularly by other parties whose interests may be severely affected by these changes. The issues raised by this proposed modification will have an enormous impact on many companies' operations, both American and foreign. We suggest a period of three months, with comments due by **16 October 2009**. This would allow those affected to make the considered comments which we believe are necessary in order for US Customs and Border Protection to make an informed determination.

Yours faithfully,

A handwritten signature in black ink that reads "Simon Bennett". The signature is written in a cursive, slightly slanted style.

Simon Bennett
Secretary
International Chamber of Shipping

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GIVENS & JOHNSTON, PLLC
Counselors at Law

Robert T. Givens
Scott L. Johnston
Sharon Steele Doyle
Joseph A. Acayan
Rayburn Berry (Of Counsel)
James G. Hurst (Of Counsel)

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TELECOPIER TRANSMISSION 4 PAGE(S) TO FOLLOW.

DATE: August 12, 2009

TO: Charles Ressin

FAX #: 202-325-0152

FROM: Robert T. Givens
Attorney for Offshore Specialty Fabricators, Inc.

RE: Request for Extension of Comment Period and Request for Regulatory Review by Office of Management and Budget

REMARKS:

GIVENS & JOHNSTON, PLLC
Counselors at Law

Robert T. Givens
Scott L. Johnston
Sharon Steele Doyle
Joseph A. Acayan
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TELECOPIER TRANSMISSION 4 PAGE(S) TO FOLLOW.

DATE: August 14, 2009

TO: Charles Ressin
Joe Clark

FAX #: 202-325-0310

FROM: Robert T. Givens
Attorney for Mariner Energy, Inc

RE: Request for Extension of Comment Period and Request for Regulatory Review by Office of Management and Budget

REMARKS:

GIVENS & JOHNSTON, PLLC

Counselors at Law

Robert T. Givens
Scott L. Johnston
Sharon Steele Doyle
Joseph A. Acayan
Rayburn Berry (Of Counsel)
James G. Hurst (Of Counsel)

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TELECOPIER TRANSMISSION 5 PAGE(S) TO FOLLOW.**DATE:** August 16, 2009**TO:** Charles Ressin
Joe Clark**FAX #:** 202-325-0310**FROM:** Robert T. Givens
Attorney for Mariner Energy, Inc**RE:** Comments on Proposed Regulatory Modification and Request for Regulatory Review by Office of Management and Budget

REMARKS:

GIVENS & JOHNSTON, PLLC

Counselors at Law

Robert T. Givens
Scott L. Johnston
Sharon Steele Doyle
Joseph A. Acayan
Rayburn Berry (Of Counsel)
James Hurst (Of Counsel)

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August 12, 2009

Via Telefax #202-325-0152

U.S. Customs and Border Protection,
Office of International Trade, Regulations and Rulings,
Attention:

Trade and Commercial Regulations Branch,
799 9th Street, N.W., Mint Annex,
Washington, D.C. 20229

Attn: Charles Ressin

Re: Request for Extension of Comment Period and Request for Regulatory Review by Office
of Management and Budget

Dear Mr. Ressin:

On July 17, 2009, U. S. Customs and Border Protection published in the Customs Bulletin a notice entitled "Proposed Modification and Revocation of Ruling Letters Relating to the Customs Position on the Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points." ("Proposed Modification") This proposed modification significantly narrows the range of activities in which non-coastwise certified vessels may participate on the OCS, primarily related to oil and gas production, exploration and distribution. Customs has provided the public with only 30 days to comment on the Proposed Modification from its publication. Our client, Offshore Specialty Fabricators, Inc. ("OSFI"), 115 Menard Road, Houma, Louisiana 70363, requests that the period of comment and public participation be extended to enable it to properly gauge and analyze the impact of the Proposed Modification on its business operations.

Furthermore, despite the fact that Customs' actions most likely constitute a significant regulatory action, Customs' has failed to follow executive order 12866 regarding Regulatory Planning and Review. In particular, Customs has not provided the public with a sufficient period for notice, comment, and involvement in the rulemaking process.¹ Customs also has not provided an assessment of the impact of its Proposed Modification to the Office of Management and Budget for review.² As a consequence of the failure of Customs to comply with E.O. 12866, we believe that Customs' Proposed Modification is premature. In its current form, the Proposed Modification will cause undo hardship to the immediately affected parties and will adversely

¹ Exec. Order No. 12866 (October 4, 1993), section 6(a).

² Id at section 6(a)(3)(C)

Charles Ressin

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impact the economy and consumers as a whole. Therefore, we request that Customs extend its period for public comment and consideration indefinitely until a thorough review of the impact of the Proposed Modifications can be made.

OSFI's Business Operations are Directly Affected by the Proposed Modification

OSFI is a company based in Houma, Louisiana that specializes in offshore fabrication and installation projects, mostly servicing the offshore oil and gas industry in Gulf of Mexico. The company was founded in 1976 and employs 350 highly skilled people. Its area of operations spans the entire Gulf Coast and the Outer Continental Shelf – from Florida to Brownsville, Texas.

With its fleet of owned and chartered heavy lift derrick barges, material barges, and service boats tugs it provides platform installation & removal, single barge heavy lifts up to 1,765 tons, dual barge heavy lifts up to 2,500 tons, load outs and off loads, new platform fabrication and installation, and true turnkey services. OSFI provides essential post-storm removals and/or retrievals of existing platforms. The Fabrication Division of OSFI provides platform fabrication and installation services on a turnkey basis. It offers construction capabilities which includes deck, jacket and piling construction, in the company's Houma, Louisiana yard, together with comprehensive in-house project services, with a substantial inventory of surplus decks and waterfront fabrication facilities on the Louisiana Coast.

The industry that OSFI is engaged in utilizes a large number of differently specialized vessels in order to handle the wide range of capabilities needed to conduct large scale construction operations at sea. While some of these vessels are owned by OSFI, many of them are not, and OSFI relies upon a large number of chartered vessels for various projects. This arrangement is typical of the industry and reflects the need for operational flexibility in offshore installation and fabrication. The effect of Customs' proposal is to further restrict the activities of non-coastwise qualified vessels, which will strike at the heart of the OSFI's business, due to the limited number of these specialized vessels available.

For almost 50 years, Customs has allowed for non-coastwise qualified vessels to engage in a number of activities that will be restricted under the Proposed Modification. Because the industry has relied on Customs' consistent application of the law with regards to what constitutes coastwise trade, a number of vessels that cannot be coastwise qualified began operating in US waters, and the domestic industry now heavily relies on their capabilities. If these vessels are suddenly disqualified from engaging in their current activities, then quite simply, many of their capabilities either cannot be readily replaced or will require extremely inefficient work-arounds to satisfy the new regulatory requirements. While eventually, new vessels that are eligible to be coastwise qualified may be launched, this will take years, and in some cases, will probably never be done.

OSFI Needs More Time to Gauge and Analyze the Effects of the Proposed Modification

OSFI's current operations rely on a large number of vessels that may or may not be qualified for coastwise trade and most likely include a number of vessels that are not eligible to

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be coastwise trade qualified. At this time, OSFI cannot accurately predict how many vessels it will lose the service of and how many it will not. Furthermore, OSFI cannot determine how increased prices and decreased availability of vessels that are coastwise qualified will affect its operations.

Effects of Proposed Modification on U.S. Offshore Oil and Gas Production

The net affect of the Proposed Modification is to reduce the U.S.'s ability to fully utilize its domestic oil and gas reserves. The delays caused by having a large percentage of our current vessel fleet either shelved or put into an elaborate, regulatory inspired dance with coastwise qualified vessels will be significant. These delays will translate into slower development of new energy resources, decreased life spans and productivity of existing facilities, and probably the abandonment of some projects.

Customs' Proposed Modification Constitutes a Significant Regulatory Action

By modifying the definition of what constitutes coastwise trade, Customs is making a significant regulatory action.³ The Proposed Modification implicates all four of the factors constituting a significant regulatory action. First, if the Proposed Modification is enacted immediately, will easily affect the U.S. economy by \$100 million dollars, which is the equivalent of 100 million U.S. drivers spending \$1.00 extra on gasoline per year. The Proposed Modification will also raise the price of natural gas, which will further affect the price of electricity, fertilizer, plastics, and various other commodities linked to the price of natural gas. These prices will be increased as a result of the increased costs and delays associated that will be the result of the Proposed Modification.

The Proposed Modification will have adverse effects US jobs related to the offshore production, exploration, distribution and construction industry. The Proposed Modification will further have negative impacts both the environment and public health and safety as a result of the offshore industry losing some of its most efficient and capable vessels necessary for construction at sea. The Proposed Modification will also have an adverse impact on revenues of local and state governments derived from offshore activities.

Second, the Proposed Modification will create serious inconsistency and otherwise interfere with other actions taken by other agencies. Primarily, the Proposed Modification will

³ Id at section 3(f) ("Significant regulatory action" means any regulatory action that is likely to result in a rule that may:

- (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health and safety, or State, local, or tribal governments or communities;
- (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another government agency;
- (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or
- (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.

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affect revenue generated for the federal government resulting from decreased offshore oil and gas production. The Proposed Modification will also with the use of foreign built vessels in the US, which will constitute a non-tariff trade barrier, contrary to efforts of the USTR to promote fair trade. As a non-tariff barrier to trade in foreign built vessels, the Proposed Modification may also result in a dispute being filed with the World Trade Organization.

Third, the Proposed Modification will materially alter the budgetary impact of user fees generated by offshore production of oil and gas for the federal government.

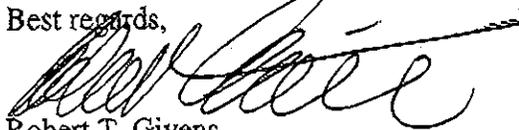
Fourth, the Proposed Modification raises a number of novel legal questions with regards to what will and will not qualify as coastwise trade. Furthermore, the manner in which Customs has engaged in its current rule making is contrary to a number of the principles set forth in E.O. 12866.

Customs Must Prepare a Regulatory Impact Analysis for the Proposed Modifications

Agencies must prepare a Regulatory Impact Analysis (RIA) for each economically significant regulation consistent with the requirements set fourth in E.O. 12866.⁴ To date, customs has not yet produced or made public any regulatory analysis whatsoever. As result, Customs is unaware of the true impact and dislocation that its Proposed Modification will cause.

For the reasons detailed above, we request an extension of the comment period.

Best regards,



Robert T. Givens

Attorney for Offshore Specialty Fabricators, Inc.

⁴ See also "Memorandum for the President's Management Council" (September 20, 2001)

**Louisiana
Machinery**



08/13



Louisiana Machinery Company, LLC

3799 West Airline Highway
P.O. Drawer 536, Reserve, LA 70084-0536
Phone (985) 536-1121 Fax (985) 536-4549

United States Customs and Border Protection
Office of International Trade, Regulations and Rulings
799 9th Street, NW (Mint Annex)
Washington, DC 20229

To the Trade and Commercial Regulations Branch:

On behalf of my Louisiana-headquartered company, I am submitting comments in support of your July 17, 2009 notice that would clearly apply U.S. coastwise laws to vessels carrying merchandise to domestic offshore oil and gas facilities.

Louisiana Machinery is a leading provider of marine power engines. Our highly trained field service technicians with offshore experience enable our customers to receive specialized marine engine services whenever necessary and wherever they work.

We have more than 70 years of experience servicing the offshore petroleum industry. Whether it's for drilling, well servicing, pumping, production, transmission or compression, we provide superior products that our customers have come to know and trust.

We have a significant stake in ensuring the long-term viability of the domestic oil and gas industry. At the same time, we support a strong merchant marine that can supply the domestic oil and gas industry. This is why Louisiana Machinery strongly endorses any federal government effort to ensure that cargo transported to offshore oil or gas facilities is carried on U.S. flagged vessels. Dramatically increasing business opportunities for American marine transport companies will further support companies such as ours that directly support them. It has a direct economic stimulus effect – at no cost to the American taxpayer.

Given the economic challenges facing the national economy, it is more important than ever that the domestic laws be interpreted in a manner that best benefits hard-working Americans in the U.S. Gulf Region.

We appreciate the opportunity to share our comments with you.

Sincerely,

Ken Clark
Vice President Engine Division
Louisiana Machinery

Alexandria
318-443-2577

Bossier City
318-746-2341

Hammond
985-340-2820

Lafayette
318-837-2476

Lake Charles
318-439-3601

Mansfield
318-872-9700

Monroe
318-323-1345

Prairieville
225-673-3480

Morgan City
985-631-0561

Port Fourchon
985-396-3908

Carencro
337-896-7211

Gonzales
225-644-3466

European Community Shipowners' Associations



12/08/2009

L. 1567/09
SF 930

Dear Sirs,

PROPOSED MODIFICATION AND REVOCATION OF RULING LETTERS RELATING TO THE APPLICATION OF THE JONES ACT TO THE TRANSPORTATION OF CERTAIN MERCHANDISE AND EQUIPMENT BETWEEN COASTWISE POINTS

Comments by the European Community Shipowners' Associations (ECSA)

These comments are made on behalf of ECSA, representing the national shipowners' associations of the EU Member States and of Norway. The company membership of the associations cover the many shipping sub-sectors, ranging from merchant marine cargo and passenger transport to towage and off-shore services. We wish to comment on the proposed modification, referred to above, contained in Customs Bulletin and Decisions, Volume 43, No 28, July 17 2009.

We note with serious concern that this proposal will remove exemptions to the Jones Act that we understand have applied for several decades, to certain offshore activities involving foreign flag vessels.

We are concerned about the negative signal which this proposal conveys. This proposal clearly runs against the statements by the members of the G 20 to abstain from any forms of protectionism and equally affects the legal certainty for the trading partners of the United States.

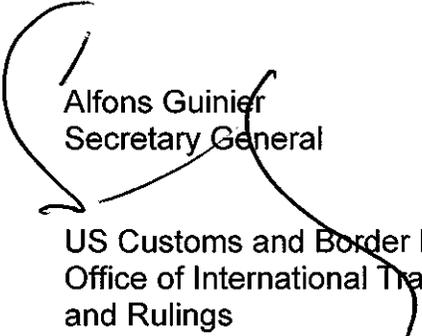
We are particularly disturbed by the very short notice period for comment on changes that will have serious implications for international offshore operators among our members. Offshore activities typically require very substantial investments and expertise based on longer term engagements and contracts with e.g. the oil sector, underwater pipe laying, cable laying etc. Engagements in US waters may have to be suspended in little more than 2 months' time. Because of this very short notice period during the holiday season, we regret it has not been possible to submit more detailed comments. However, we also wish to associate ourselves with comments being submitted by the International Maritime Contractors' Association (IMCA).

We respectfully request an extension of time in which further comments may be submitted, particularly by other parties whose interests may be severely affected by these changes. The issues raised by this proposed modification will have an enormous impact on many companies' operations, both American and foreign.

European Community Shipowners' Associations

We may suggest a period of three months, with comments due by 16 October 2009. This would allow those affected to make the considered comments which we believe are necessary in order for US Customs and Border Protection to make an informed determination.

Yours faithfully,



Alfons Guinier
Secretary General

US Customs and Border Protection
Office of International Trade, Regulations
and Rulings
**Attention: Trade and Commercial
Regulations Branch**

799 9th Street N.W.
Mint Annex
Washington D.C. 20229
UNITED STATES



August 13, 2009

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The Honorable Janet Napolitano
Secretary of Homeland Security
Department of Homeland Security
Washington, DC 20528

Jayson P. Ahern
Acting Commissioner
US Customs and Border Protection
Washington, DC 20229

Secretary Napolitano and Commissioner Ahern:

On behalf of the American Trucking Associations, the Air Transport Association and the National Manufacturing Association, Consumer Energy Alliance respectfully requests an extension of the comment period on Customs and Border Protection's proposal to change the current interpretation of the Jones Act (46 USC 55102).

Consumer Energy Alliance is a non-profit, nonpartisan organization whose mission is to expand the dialogue between the energy and consuming sectors to improve overall understanding of energy security and the thoughtful development and utilization of energy resources to help create sound energy policy and maintain stable energy prices for consumers. Our membership includes over 125 affiliates which represent every aspect of the energy consuming public including manufacturers, shippers, airlines, highway users, seniors, truckers and agricultural stakeholders.

On July 18, 2009, Customs and Border Protection issued a regulatory change to the Jones Act and requested comments back from industry by August 16. CEA respectfully requests an additional 90 days, due to the large regulatory shift in this interpretation and the massive impact that it would have on the global economy.

Businesses involved with deepwater oil and gas exploration rely on the current interpretation of the Jones Act to ensure that their supply chains function smoothly and efficiently. The modifications contained in the regulatory change published by CPB will overturn 30 years of government precedent and business practice and should receive due deliberation and involve full industry input.

The price and availability of oil and gas are critical factors in day-to-day energy prices for all aspects of the American economy. It is very important that any potential changes to the Jones Act take into consideration the potential economic impacts that may result – and CEA requests an appropriate extension of the comment period in order to allow time for such impacts to be analyzed and presented to CPB for its consideration.

The Consumer Energy Alliance looks forward to working together on this regulation in an efficient and economically conscious fashion.

Sincerely yours,

A handwritten signature in black ink that reads "Michael Whatley". The signature is written in a cursive, slightly slanted style.

Michael Whatley
Vice President

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August 14, 2009

Eileen P. Brown
202-585-6906
FAX 202-508-1008
ebrown@
thompsoncoburn.com

VIA HAND DELIVERY

U.S. Customs and Border Protection
Office of International Trade, Regulations and Rulings
Attention: Trade and Commercial Regulations Branch
799 9th Street, N.W., Mint Annex
Washington, D.C. 20229

Re: Proposed Modification and Revocation of Ruling Letters, published on July 17, 2009 (the "Notice")

Ladies and Gentlemen:

We are providing these comments on behalf of a foreign-owned client that is a leading provider of offshore services in the U.S. Gulf (the "Company"). The Company provides top-quality service to U.S. customers and maintains the highest possible standards in the industry. Although foreign-owned, the Company is a valuable and productive member of the diverse corporate fabric in the United States – maintaining offices in the United States, employing U.S. personnel, and generating state and federal tax revenues.

The Company recognizes that since it does not qualify as a United States citizen for the purposes of the coastwise trade, it is precluded from participating in certain activities and cannot do anything that might encroach upon the protections afforded to companies that do qualify to participate in the Jones Act trade. The Company ensures that its U.S. operations do not run afoul of the Jones Act.

The Company relies on rulings of U.S. Customs and Border Protection ("Customs"), including rulings referred to in the Notice, to develop appropriate business plans, investment and employment decisions, and models for its U.S.-based operations. As a result, Customs' proposed revocation and modification of these rulings could have a substantial adverse impact on the Company's business and expansion plans in the U.S. In particular, it could reduce the services the Company is able to, and hopes in the future to, provide to its customers and thereby curtail other business development and growth in the United States.

Background

The United States coastwise laws, now contained in 46 U.S.C. Chapter 551 ("Chapter 551"), provide that a vessel may not provide any part of the transportation of *merchandise* by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port, unless such vessel is owned by a citizen of the United States and has been issued a certificate of documentation with a coastwise endorsement under Chapter 121 (46 U.S.C. Section 55102) (emphasis added).

Customs is the agency that determines whether a particular activity is deemed to be coastwise trade. Customs' regulations provide that a coastwise transportation of *merchandise* takes place within the meaning of the coastwise laws, when *merchandise* laden at a point embraced within the coastwise laws ("coastwise point") is unladen at another coastwise point, regardless of the origin or ultimate destination of the merchandise (19 C.F.R. Section 4.80b (a)). Customs regularly evaluates water transportation scenarios to determine whether a particular activity constitutes "coastwise trade". A critical factor in Customs' deliberations is whether the items transported are considered "merchandise" or "equipment".

Customs memorializes these determinations in letter rulings based on the facts presented at the time of the request. Customs publishes these letter rulings, thereby allowing similarly situated companies the benefit of its interpretations. These rulings provide the maritime industry with a better understanding of the application of the coastwise laws and enables them to make medium and long term investment and staffing decisions. The proposed revocation--or even modification--of a line of letter rulings spanning over three decades would have a major adverse impact on companies that have relied on the rulings and could seriously disrupt their substantial business activities in the United States.

Merchandise vs. Equipment

For decades, Customs has held that vessel "equipment" includes articles "necessary and appropriate for the navigation, operation or maintenance of the vessel and for the comfort and safety of the persons on board." (HQ 111892, September 16, 1991, quoting Treasury Decision 49815(4), March 13, 1939). The Notice makes a distinction between those items Customs considers to be "merchandise", which are carried on board to "accomplish an activity" for which the vessel is engaged, and those items Customs considers to be "equipment", which are carried on board for the navigation, operation or maintenance of the vessel, or for the safety and comfort of the persons on board the vessel. In many cases, as with the vessels operated by the Company, it is impossible to make a distinction between those items required for the performance of the vessel's function and those items required for the safety of the crew. The proposed revocation of this line of rulings would add a layer of complexity and confusion in the Customs interpretation of the coastwise laws where none exists now.

Timing and Administrative Procedure

We have great concerns about the manner in which Customs is changing its long-standing rulings regarding coastwise trade and the limited time for interested parties to comment, particularly during the summer months when key personnel of many international companies are away for summer holidays. While Customs is in technical compliance with 19 USC §1625, we join in requests to extend the limited time period of 30 days to provide comments. Granting the extension is especially important in circumstances such as this where Customs' decision will have serious economic consequences.

Impact

The proposed modification and revocation of Customs' ruling letters would reverse a long history of precedent established by Customs. While we understand and appreciate Customs' interest in protecting the coastwise trade for companies that qualify as United States citizens, the proposed action threatens to go far beyond that objective and would, in fact, have the effect of changing the law by expanding its application to activities that were never intended to come under its purview. Customs' proposed action would reverse more than twenty rulings that constitute well-established precedent upon which companies, including the Company, have relied in developing and investing in their businesses.

One of the arguments articulated by those supporting the proposed revocations and modifications is that, unless the proposed action is taken, "foreign nationals will take jobs away from Americans." While at face value that argument sounds logical, the reality is precisely the opposite. Effectuating the proposed revocations and modifications would cause many foreign-owned companies in the oil and gas industry in the Gulf to shut down operations, resulting in loss of jobs by local employees. Currently, many of those foreign-owned companies, such as the Company, employ Americans and those with permanent resident status, not foreign nationals, at their locations in states bordering the Gulf of Mexico. If those companies are forced to shut down or curtail their operations, significant job losses by Americans—numbering in the thousands—would result. Since U.S.-flagged vessels represent less than 20% of the current Gulf of Mexico offshore oil and petroleum industry capability, the companies that own and operate those vessels would not have the resources or infrastructure to immediately provide jobs to all those Americans currently working for foreign-owned companies. With the current state of the economy and the rising unemployment rates, any modification of the rulings that results in more Americans losing jobs is not in the best interests of the United States or the American people.

In addition to a loss of jobs in the oil and gas production industry, the proposed modifications will also result in a substantial loss of revenue to companies, and, therefore, a loss of tax revenue to states and the federal government. Although the impact would directly affect foreign-owned companies, as previously mentioned, most of these companies have established offices in the United States. As such, they pay state and federal taxes, and generate much needed tax revenues.

U.S. Customs and Border Protection
August 14, 2009
Page 4 of 4

Modifying the rulings in a way that would force these companies to shut down operations will result in losses of tax revenues to the states in which these companies operate, as well as the federal government. In a time when state budgets are tight and revenues are low, further reducing state revenues would have unintended consequences for the state services sector, potentially resulting in the loss of jobs for state employees as well.

In summary, Customs' proposed action would have very significant consequences. We urge Customs not to revoke or modify three decades of precedent. We also ask Customs to provide an extension of the time period to provide comments so that all interested parties have sufficient time to submit comments so that the agency can fully review and consider these views before making a final decision. The economic impact of the revocation and modification on the offshore oil and gas industry is too great to do otherwise.

We appreciate the opportunity to comment on the Notice.

Sincerely,

Thompson Coburn LLP

By 
Eileen P. Brown



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Ms. Sandra L. Bell
U.S. Customs and Border Protection
Office of International Trade
Regulations and Rulings
Attention: Trade and Commercial Regulations Branch
799 9th Street, N.W., Mint Annex
Washington, D.C. 20229

Re: Proposed Modification and Revocation of Ruling Letters Relating to the Customs Position on the Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points

Dear Ms. Bell:

The Independent Petroleum Association of America (IPAA) appreciates the opportunity to submit comments on the Proposed Modification and Revocation of Ruling Letters Relating to the Customs Position on the Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points published on July 17, 2009 (the "Notice").

IPAA represents over 5,000 producers of domestic oil and natural gas. Independent producers drill 90 percent of the nation's oil and natural gas wells, produce 82 percent of America's natural gas and 68 percent of domestically produced oil. The members of IPAA that operate in the OCS are dedicated to energy production from the domestic offshore and are extremely interested in the proposed changes that will have far reaching implications on the offshore industry (safety issues, technology gaps, reduction in competition, litigation disputes). U.S. Customs and Border Protection ("CBP") has proposed to overturn over 30 years of precedent that industry has relied on by investing millions of dollars on the necessary resources to conduct oil and gas operations in the OCS.

Industry has been given 30 days to comment, an insufficient amount of time to respond with both legal and practical arguments as is necessary with such a complicated set of issues. IPAA respectfully requests an extension of the comment period on the proposal to change the current interpretation of the Jones Act (46 USC 55102). IPAA and our members request an additional 90 days to comment, due to the large regulatory shift in this interpretation and the massive impact that it would have on the global economy. We also urge CBP to ultimately issue a final decision consistent with the following comments.

Due to the dynamic nature of the offshore oil and gas industry, it has become standard practice for owners and operators to seek rulings to confirm that contemplated operations are approved by CBP. This avoids severe penalties that could be assessed should CBP make a determination after the fact that a particular operation was prohibited

by the Jones Act. Over the years, CBP has issued a significant number of coastwise trade rulings, which constitute a sophisticated body of precedent on which industry has relied for decades.

This is particularly true with regard to the offshore industry, which has seen tremendous advances in the equipment, vessels, and technology that facilitate deepwater OCS activities. In fact, OCS activities – including the subsea technology, floating facilities and other sophisticated equipment and methods needed to advance offshore development – had not even been contemplated at the time of the original 1939 ruling. Over the years, CBP has recognized and accommodated these developments and the evolving nature of deepwater activities by refining the definition of equipment of the vessel.

Operators may request that certain equipment be placed on the vessels for assistance in lifting operations, or anchor driving services, and removed when another operator with different objectives hires the vessel. This equipment has been and should be defined as vessel equipment because it is used in the “operation” of the vessel’s function, or mission. It has not been “unladen” at a second coastwise point, even if it is removed at a second port, because the purpose was not to “transport” it, but to use it in offshore services. Any materials used in this fashion should still be considered vessel equipment.

If the CBP proposal were adopted as written, it would have a profound effect on the entire offshore industry. For example, CBP may interpret its rulings to have the practical effect of limiting the use of a foreign-flag vessel offshore to a single purpose. This should not be the case. Most of the foreign-flag vessels used offshore are multi-purpose vessels and CBP should recognize this when it finalizes its policy.

The CBP may further rule that in order for a vessel to lay pipe, which is not a use in the coastwise trade, it would have to be specifically classified or designated for the purpose as a pipelaying vessel. Under this rationale, multi-purpose vessels could not be used to lay pipe on the OCS. There are currently no U.S.-flag vessels classified or designated as pipelaying vessels and there are approximately three foreign-flag pipelaying vessels, which generally do not operate in the United States. The vessels that do conduct pipelaying operations are typically classified as construction vessels, multi-purpose subsea construction vessels, and derrick barges. These vessels have been outfitted with the equipment necessary to conduct pipelaying operations, and they also carry out other functions.

Under the new rulings, these vessels would be prohibited from conducting pipelaying operations because the pipelaying articles used aboard the vessel would arguably be considered merchandise. In addition, certain tandem vessels are needed by some pipelaying vessels to perform tasks “incidental” to pipelaying operations. Accordingly, if the CBP proposal is adopted, all pipelaying operations on the OCS are at risk because they are being done from a construction vessel rather than a pipelaying vessel.

Another example involves the use of drilling vessels and Mobile Offshore Drilling Units (“MODUs”). Currently, these vessels carry various articles related to drilling operations on deck when transiting between shore and drilling sites or between drilling sites as equipment of the drilling vessel or MODU. Under the rationale of the exhibit hall proposal, it is unclear what articles may be considered merchandise if the CBP proposal is adopted. Articles carried by a drill rig *itself* in furtherance of that rig’s

drilling operations should be considered equipment of that drill rig. CBP seems to be indicating a belief that vessels cannot be modified once built. In fact, the mission/function of a vessel and therefore the applicability of the Jones Act should be performed on a voyage by voyage basis. The outfitting of a vessel for a particular voyage should determine its category.

Should the CBP rulings go into effect, a sufficient number of coastwise qualified vessels will not be available to perform both the necessary "transportation of merchandise" and the specialist work offshore that is required for oil production in the OCS to continue undisrupted. Such a situation is likely to result in serious security, safety and economic consequences that the CBP should, and must, take into account in making its determination.

Safety concerns may also arise as a result of the new rulings, which will in many cases require companies to "double up" with shadow vessels in the OCS. U.S.-flagged vessels may choose to transport the material to the OCS, where it is transferred on the open sea to a foreign-flagged vessel for installation. Such ship-to-ship open sea transfers create a higher risk of incidents to the ships and their crews, including increased environmental concerns.

The economic consequences may also be severe, for the United States, American workers as well as for individual corporations. Under existing law, the CBP must render a decision within 30 days of the comment period after publication and the decision must go into effect in 60 days following the decision. The penalties for a violation are severe - forfeiture of the merchandise or, in the discretion of CBP, forfeiture of a monetary amount of the value of the merchandise, or the actual cost of transportation, whichever is greater, and the penalty may be recovered from any person transporting the merchandise or causing it to be transported. CBP's decision to reject all requests for an extension of the comment period makes this timeframe even more onerous.

The limited timeframe, the uncertainty inherent in this proposal, and the arduous penalties for violations place OCS corporations in an unsustainable position. As with all large corporations, the oil and gas companies working in the OCS plan resources and contract for work years into the future. There is now great uncertainty with regard to multi-million dollar, long-term contracts.

The offshore industry has worked closely with CBP and domestic industries to help ensure that operations are consistent with the Jones Act as evidenced by the multitude of CBP rulings related to offshore work. IPAA urges CBP to retract the new rulings further restricting operations in the outer Continental Shelf as being outside the plain language of CBP precedent.

We appreciate the opportunity to provide these comments and look forward to working with you as this process moves forward.

Sincerely,



Barry Russell
President & CEO



McDONOUGH MARINE SERVICE

17500 Market Street • Channelview, TX 77530-3800

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August 3, 2009

United States Customs and Border Protection
Attention: Trade and Commercial Regulations Branch
Office of International Trade, Regulations and Rulings
799 9th Street NW -- Mint Annex
Washington, D.C. 20229

To Whom It May Concern --

Please consider these comments in support of the pending determination regarding the application of U.S. coastwise laws to merchandise carried by vessels to serve offshore oil and gas facilities in the Gulf of Mexico. The determination referenced above was published on July 17 by U.S. Customs and Border Protection. I believe that finalizing this determination will greatly support the domestic offshore oil and gas industry in the Gulf of Mexico. I therefore urge its immediate adoption. McDonough Marine Services also supports comments submitted by the Offshore Marine Service Association, of which we are a member.

Action by your agency, to make certain that supplies delivered to offshore projects are carried on domestic vessels, will promote jobs and economic growth. Such certainty will undoubtedly present new business opportunities for McDonough Marine. We are particularly looking for opportunities to carry pipe to installation sites.

By way of background, we have been in business for over 60 years. Our founder, Bernard P. McDonough, recognized a need for marine transportation to support his construction company back in 1945. He started up a barge leasing side business that has now evolved into the full-service McDonough Marine Service transport company today. We have locations in the Gulf and East Coasts and specialize in barges designed and constructed to transport very heavy, concentrated-weight cargo loads. Our sister company, McDonough Project Services, also provides towing services, project and repair management, ballast engineers, load out planning, ramp facilities, and route analyses. We have 46 ocean going barges ranging from 140' x 40' to 400' x 100' capable of handling a large variety of cargos. We have served the domestic oil & gas industry in the Gulf of Mexico since its inception and believe we still have much to offer to this important industry.

We take pride in operating our vessels in a safe and environmentally responsible manner. Our participation in the American Waterways Operators Responsible Carrier Program is just one of our many efforts to meet this goal.

I appreciate the opportunity to share our comments.

Very truly yours,

David C. Hanby, Jr.
President and Chief Operating Officer

"The Barge People"



VEOLIA
ENVIRONMENTAL SERVICES

57

SPECIAL SERVICES

July 30, 2009

U.S. Customs and Border Protection
Office of International Trade
Regulations and Rulings
Trade and Commercial Regulations Branch
799 9th Street NW, Mint Annex
Washington, DC 20229

Attention: Mr. Glen Vereb, Chief Entry Procedures & Carriers Branch

Dear Mr. Vereb:

Veolia ES Special Services, Inc. ("Veolia") is an offshore contractor engaged in subsea installation and construction work in the U.S. Gulf of Mexico. The types of projects in which Veolia is typically engaged have been the subject of Customs rulings over the years addressing whether the work involved constitutes a coastwise activity. Veolia's ongoing projects, as well as future projects for which it anticipates submitting bids, are structured in large part on Customs' interpretation over the last 20 years as to what type of work constitutes a coastwise activity.

We have received the Notice of Proposed Modification and Revocation of Ruling Letters Relating to the Customs' Position on the Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points Published on July 17, 2009. This proposal presents complex issues which will adversely affect Veolia's operations as well as the oil and gas industry as a whole.

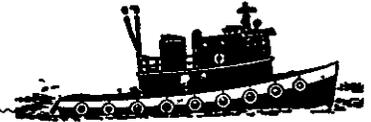
Veolia respectfully requests a 60 day extension of the 30 day comment period, for a total comment period of 90 days, in order that it may fully evaluate the proposal and to submit its comments to Customs, and in order that Customs may have time in which to review the information submitted to determine whether the proposal should be approved, withdrawn or revised to ensure that there is no adverse effect to oil and gas production in the U.S. Gulf of Mexico.

Sincerely,

A handwritten signature in black ink that reads "James L. Parker".

James L. Parker
Director of Client Solutions

BELLE PASS TOWING CORP.



MARINE TOWING

POST OFFICE BOX 329

Telephone: 475-6612

GOLDEN MEADOW, LOUISIANA 70357

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August 3, 2009

U.S. Customs and Border Protection
Office of International Trade, Regulations and Rulings
799 9th Street, NW - - Mint Annex
Washington, D.C. 20229

Attention: Trade and Commercial Regulations Branch

To Whom It May Concern:

Thank you for the opportunity to provide comments regarding the pending Jones Act modification proposal. My company provides marine towing services based out of Golden Meadow, Louisiana.

I am writing to you to express our **support for the proposal** and to encourage you to implement it as soon as possible.

Belle Pass Towing Corporation is a small business in the Gulf Coast. We employ some of the finest workers in the maritime industry and have a proven ability to serve the oil and gas industry. We strongly believe that American offshore sites ought to be served by American companies. Foreign companies and foreign workers have been taking an increasing amount of business from companies like ours and it is time that the U.S. Government makes it clear that this work should be done by Americans, for Americans.

We are also a member of the Offshore Marine Service Association (OMSA) and would like to take this opportunity to express our strong support for their detailed comments on this topic as well.

We appreciate the opportunity to share our thoughts.

Sincerely,



John A. Gravois III
Belle Pass Towing, Inc.



COMAR MARINE CORPORATION

P. O. Box 1820 • Amelia, LA 70340
1310 Lake Palourde Road • Amelia, LA 70340
Phone (985) 631-9004 • Fax (985) 631-0404
comar@comarmarine.com

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August 6, 2009

US Customs and Border Protection
Office of International Trade, Regulations and Rulings
Trade and Commercial Regulations Branch
799 9th Street NW, Mint Annex
Washington, DC 20229

SUBJECT: Support for July 17, 2009 Jones Act Notice

To Whom It May Concern:

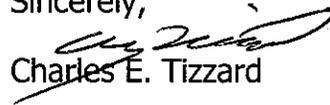
I am writing to you because we support your proposed interpretation of U.S. coastwise laws and want to ensure you realize the positive impact it will have on U.S.-based companies like ours.

COMAR Marine Corporation is an offshore oilfield marine service company with decades of experience in providing our vessels to the companies that operate in the oil and gas industry in the U. S. Gulf of Mexico. Since 1955, we have been dedicated to quality service and complete customer satisfaction. Our operations are conveniently located in Amelia, within close proximity to the Gulf of Mexico. We have made substantial investments in our vessels over the last 50 years to ensure they are up to date and able to meet the latest demands called for by the offshore oilfield industry. Our workers continually strive for excellence while ensuring they deliver quality vessels and service to our customers.

As Customs considers adopting the July 17 determination, we wanted you to know just how important it would be for our company and the workers we employ here in the Gulf. Adoption of the pending proposal will absolutely have a positive impact for us, because it will dictate that merchandise carried by vessels serving offshore oil and gas facilities in the Gulf of Mexico be U.S.-flagged. We encourage every possible effort to ensure this happens as quickly as possible.

Thank you for the opportunity to submit comments.

Sincerely,


Charles E. Tizzard

President



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2014 W. Pinhook Rd., Suite 310; Lafayette, LA 70508

Trade and Commercial Regulations Branch
Office of International Trade, Regulations and Rulings
U.S. Customs and Border Protection
799 9th Street NW
Mint Annex
Washington, DC 20229

Dear Sir or Madam,

Please accept these comments on behalf of my company, **Advanced Logistics LLC**, in support of the your agency's July 17th "Proposed Modification and Revocation of Ruling Letters Relating to the Customs Position on the Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points". We agree with your proposal that would ensure that merchandise carried to offshore facilities be handled by U.S. flagged vessels, operated by U.S. workers, in order to support the domestic energy supply system.

Advanced Logistics is a logistics management information company, whose vision is optimizing all components of logistics services required to support offshore oil and gas exploration and production. We provide logistics management with the aid of today's technology that enables the industry to operate more efficiently. The use of this type of technology is one of the fastest growing applications in logistics management because it increases asset utilization that results in lower logistics costs. For example, we know that the delivery and use of real-time documented information is a competitive necessity. That is why we offer the offshore marine industry Satellite Assisted Marine Management, which collects pertinent vessel information, transmits the data by satellite, and synchronizes it with an internet accessible database.

I believe that it is absolutely imperative that the nation's laws be enforced in a manner that best benefits Americans in the Gulf Region. Dramatically increasing business opportunities for American maritime transport companies, for example, will provide a further economic stimulus for our company. Clearly applying American coastwise laws to vessels carrying supplies to our offshore oil and gas facilities is long overdue and would be a welcome development to the industry as a whole.

We greatly appreciate the opportunity to share comments with your agency and encourage your expedited decision-making on this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Jennifer R. Comeaux', is written over a horizontal line.

Jennifer R. Comeaux
Senior Vice President
Advanced Logistics, LLC