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August 7, 2009

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VIA ELECTRONIC MAIL AND REGULAR MAIL
glen.vereb@dhs.gov

U.S. Customs & Border Protection
Officer of International Trade, Regulations and Rulings
Attention: Trade and Commercial Regulations Branch (Mr. Glen E. Vereb)
799 9th Street, N.W., Mint Annex
Washington, D.C. 20229

Re: **REQUEST FOR EXTENSION OF COMMENT PERIOD**
Our File No. 07150.020

Dear Mr. Vereb:

On behalf of our client BHP Billiton Petroleum (Deepwater) Inc., we respectfully request an extension of time to submit comments to 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.

The date on which comments must be received, **August 16, 2009**, allows insufficient time to prepare adequate comments on this intricate and important issue. We therefore request that the comment period be extended for approximately sixty (60) days to **October 16, 2009**.

We appreciate your consideration in this matter and look forward to hearing from you regarding our request at your earliest opportunity. If you have any questions concerning this letter, please do not hesitate to contact me at your convenience.

Sincerely,



Thomas Beron

TEB/dkk

cc: Jessica Devitt
Brett Wise



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DEEP MARINE TECHNOLOGY, INC

Operations: 20411 Imperial Valley · Houston, TX 77073
Phone 713.896.8555 · Fax 713.849.4021
www.deepmarinetech.com

August 10, 2009

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

To Whom It May Concern:

Deep Marine Technology, Inc. was established in 2002, and has been providing comprehensive subsea services to the Offshore Oil and Gas Industry. We specialize in Deepwater Construction and Intervention Systems. We are located in Houston, Texas and have built a variety of vessels, including the DMT Sapphire, the DMT Diamond, and the DMT Emerald among other remotely operated vehicles, commercial diving boats, and intervention systems.

We think your July 2009 proposal concerning the use of Jones Act vessels, to serve the Oil and Gas Industry in the United States Gulf of Mexico, is correct and should be implemented as soon as possible.

Given our substantial financial investments and our proven ability to serve this important national industry, we believe that your agency should act to guarantee, in law, that cargo transported to offshore oil and gas facilities is carried by U.S.-flag vessels. This accurate interpretation of the law will help to develop more business opportunities, and support more jobs, here in America. Acting now, in a time of economic hardship for many in our industry, will directly ensure additional business opportunities that would otherwise go to foreign companies.

Thank you for the opportunity to share our comments with you.

Sincerely yours,

Wade Abadie
President and Chief Operating Officer
Deep Marine Technology

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3101 Navigation
Corpus Christi, TX 78402
P.O. Box 2441
Corpus Christi, TX 78403-2441
info@jbludshipyard.com



Phone No. 361/887-7981
Toll Free 800/874-7981
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E-mail:

August 10, 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

RE: Jones Act Modification Notice – support for July 17, 2009 proposed modification

Dear Sir or Madam,

John Bludworth Shipyard, L.L.C. is a full service facility dedicated to providing new construction, design, and repair services for inland and offshore vessels. Our shipyard is located in the Port of Corpus Christi, Texas. Our 4,000-ton dry dock can accommodate vessels of up to 350 feet in length and, combined with 1,500 feet of dockside area and a 2,000 square foot tool room / warehouse, we have the facilities to handle the most challenging maritime needs.

As CBP considers the implications of adopting the recent proposal regarding our nation's coastwise laws, we wanted to ensure you knew first hand how important your decision would be for our company and our over 100 dedicated employees. Your decision will have a meaningful impact on both as we continue to make the significant investments necessary to meet today's maritime demands. We would welcome the opportunity to provide complete marine service to an expanded, American-based market for U.S.-flagged vessels.

We therefore encourage efforts by the Federal Government to take advantage of American-based investments in the maritime industry, and spur new ones. A positive determination by the U.S. Customs and Border Protection is needed to do so. Your agency should act immediately to ensure that U.S.-flagged vessels carry merchandise to offshore oil and gas facilities. We believe this to be the unmistakable intent when Congress enacted the underlying Jones Act and other national coastwise laws. Indeed, Congress itself has defended this concept throughout our history in order to support American businesses and American jobs.

We also want to stress that your expedited decision is more important than ever in order to support the American companies and workers that would otherwise benefit foreign companies and foreign workers. Our economy is struggling with a recession and CBP's action to finalize this proposed Jones Act interpretation would be a strategically timed means of helping climb out of it.



SEALAND MECHANICAL LLC
1747 GRAND CAILLOU RD.
HOUMA, LA. 70363
PHONE: 985-876-5199

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10 August 2009

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

To whom it may concern,
Sealand Mechanical LLC applauds the decision of Customs and Border Protection to uphold the Merchant Marine Act of 1920, better known as the Jones Act, as it was originally written and intended to be set forth.

In the business climate where a lot of decisions are made to go overseas rather than locally, this is one area that should not be compromised. The Jones Act as written assures, at least in this segment of transportation, which is so vital to our nation, that it will continue with the success it has enjoyed as being the best, safest, and most reliable built merchant vessels in the world.

This is our work force's way of leading the world in the highly economic and efficient global transportation trade. Therefore, we need to protect the livelihood of millions of highly skilled American workers, some of which are second and third generation shipbuilders. The Jones Act as originally intended affords us this means.

Samuel Sanderson

General Manager,
Sealand Mechanical, LLC



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August 11, 2009

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

Attn: Trade and Commercial Regulations Branch

Dear Sir or Madam:

We are a small business that operates two liftboats in the U.S. Gulf of Mexico. On behalf of my company and our employees, I write to express our support for the July 17, 2009 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 and gas facilities. As a member of the Offshore Marine Service Association, I know you will be receiving more detailed comments that will lay out the larger legal principles and larger policy issues at stake. I write so that you will have an appreciation for the significance of this matter to our employees and our company.

Our liftboats possess a proven track record of providing exceptional, versatile and reliable services throughout the Gulf of Mexico. All vessels are USCG certified and are specially outfitted to deliver production related services in support of customers' construction, maintenance and production enhancement projects. The vessels are operated by highly trained personnel who are committed to providing a safe work environment for our customers. Each employee receives extensive safety training that exceeds the industry standards. The personnel have a combined 200 years of vessel operation in the Gulf of Mexico. In addition, there is a reputation and commitment to operating a fleet of highly maintained vessels. A team of certified mechanics, crane operators and port engineers continuously monitor the status of our fleet and adhere to a strict quality measures to ensure a high standard of operational reliability.

Given our substantial investment in our fleet of liftboats and our proven ability to serve the oil and gas industry, we believe that the federal government should ensure that cargo transported to offshore oil or gas facilities is carried in U.S. flag vessels as a matter of law and of good economic policy. For too long, foreign-flag vessels have been carrying merchandise that should have been carried in U.S.-flag vessels. When Congress enacted the Jones Act and other coastwise laws, it did so as a means of preserving a strong U.S. merchant marine. Although these laws have been amended from time to time, throughout the history of our country Congress has steadfastly defended the concept that vessels that transport cargo and passengers between points or places in the United States must be crewed by Americans, owned by Americans, and built in America. Given the economic challenges facing our economy, it is more important than ever that the law be interpreted correctly so that hard-working Americans in the U.S. Gulf Region will have additional business opportunities that otherwise would go to foreign-flag companies and foreign workers.

We appreciate the opportunity to share our comments on this matter.

Best regards,

Dale Mitchell
Owner
Mitchell Liftboats, LLC.



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August 11, 2009

Office of International Trade, Regulations and Rulings
United States Customs and Border Protection
ATTENTION: *Trade and Commercial Regulations Branch Staff*
799 9th Street N.W. – The Mint Annex
Washington, D.C. 20229

SUBJECT: *July 17, 2009 Jones Act Interpretative Ruling Notice*

Dear Sir or Madam:

On behalf of LEEVAC Industries, LLC, a company that has been designing, constructing and repairing vessels and barges of nearly every description in the maritime industry for nearly half a century, I am writing to urge your immediate adoption of the Jones Act interpretive ruling currently under consideration before your Agency.

We have facilities in Louisiana that are second to none. Our 180-acre site is situated on the west bank of the Mermentau River, about five miles east of Jennings, Louisiana. The site includes more than 130,000 square feet of covered fabrication shops; a warehouse complex that features more than 30,000 square feet, allowing us to store all critical project-specific long lead items; over 2,000 feet of wet dock area with 40 feet of water in the river – allowing for great versatility in the marketplace; and an 8,000 square foot pipe shop.

Founded in 1913 as the Zigler Shipyard, LEEVAC Industries has served virtually every aspect of the commercial maritime industry since its inception. LEEVAC has built and launched marine equipment of up to 500 feet in length – although our launch system is capable of spanning up to 700 feet in length if needed. We are currently in the middle of a multiple vessel contract for Hornbeck Offshore Services; these vessels are a Hornbeck design and capable of working in the energy business.

We have an incredible amount of experience. A number of our key managers have been at LEEVAC for 20 to 40 years or more. Some of our employees are also third and fourth generation shipbuilders, possessing the cumulative knowledge and expertise gained over nearly a half century in business, including knowledge and expertise specific to industries within the maritime sector. This includes energy-related industries and the knowledge necessary to handle ABS, Coast Guard, or any other Federal regulatory needs for our customers.

Given our history with, dedication to, and ongoing support for a strong domestic maritime industry we wish to formally express our support for your efforts to ensure that cargo transported to offshore energy installations are carried by vessels built in the U.S. As you appreciate,

WE MAKE IT HAPPEN

New Construction, Repair, Metal Processing
P.O. Box 1190, Hwy. 90E., JENNINGS, LOUISIANA 70546, (337) 824-2210, FAX (337) 824-2970



Congress wrote the Jones Act to ensure that U.S.-flag vessels carry merchandise from one domestic point to another domestic point, including the facilities today operated by the petroleum industry. If you were to adopt the recently-issued Jones Act interpretative ruling, it would provide unambiguous rules and encourage domestic companies to further expand the U.S. fleet of vessels.

We encourage you to act now. It is time to act in support of American businesses, American jobs, and the American economy. We appreciate the opportunity to submit these comments for your consideration and look forward to meeting the needs of U.S. maritime companies.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'C. Vaccari'. The signature is fluid and cursive, written over the printed name.

Christian Vaccari
President



HESS CORPORATION
500 Dallas Street
Houston, TX 77002

John V. Simon
Senior Vice President - Production
PHONE: 713-609-5920
FAX: 713-609-4041

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August 11, 2009

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 Rulings 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 Sirs,

With reference to the notice of proposed modification and revocation of Ruling Letters relating to Custom and Border Protection's ("CBP") position on the application of the Jones Act to the transportation of certain merchandise and equipment between coastwise points, published on 17 July 2009, Hess Corporation, a Delaware corporation engaged in the exploration for, and production of, hydrocarbons in the Gulf of Mexico and elsewhere, respectfully requests at least a ninety day extension of the original thirty day comment period (the minimum period provided by statute).

The extension is requested in order to provide additional time for affected parties to further assess the impact and correctness of the proposed modification and revocation.

The oil and gas industry, and shipping and installation contractors working for the oil and gas industry, have been relying on about thirty years of governmental precedent on this matter. The proposed changes could have a substantial impact on existing and future offshore operations. Thirty days is therefore too short a period of time for the industry to identify material implications arising from CBP's proposals, and for it to assess and comment on the correctness of the intended ruling.

Similarly, the proposed effective date of 15 November 2009 would also give an insufficient amount of time for the industry to alter its existing and future operations to comply with any new ruling.

Accordingly, Hess asks that CBP in the first instance extends the original comment period for ninety days beyond the thirty days provided for in that 17 July 2009 notice.

Very truly yours,

John V. Simon

5 EAST 11TH STREET
RIVIERA BEACH, FLORIDA 33404-6902
800-367-6200
561-881-3908
FAX 561-881-3909

MAILING ADDRESS
P.O. BOX 10683
RIVIERA BEACH, FLORIDA 33419-0683

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August 13, 2009

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

Attention: Trade and Commercial Regulations Branch

Re: 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

Dear Sir:

In accordance with the referenced Notice published in the Customs Bulletin and Decisions, Vol. 43, No. 28, July 17, 2009, at p. 54, Tropical Shipping & Construction Co., Ltd. ("Tropical") respectfully submits the following comments:

1. Tropical is a Cayman Island corporation, with its principal place of business in Riviera Beach, FL. Tropical is a wholly owned subsidiary of NICOR, Inc., a U.S. citizen, publicly-held (NYSE) corporation, headquartered in Illinois.
2. Tropical is a vessel operating common carrier between ports in South Florida and ports in the Bahamas, the U. S. Virgin Islands and the Windward and Leeward Islands of the Caribbean.
3. Tropical's has three U.S.-built vessels that are documented under a foreign registry and which, under the Jones Act and Coast Guard regulations, are barred from being operated in the Jones Act trades even if they were re-documented under the U.S.-flag. In Tropical's view, given the shortage of U.S. built vessels, the rule that bars US built and US owned vessels from regaining Jones Act status is neither necessary, nor appropriate, and is detrimental to US ship owners and investors.
4. As a U.S.-based company owned by a U.S. citizen corporation, all of Tropical's vessels are subject to requisition by the U.S. government in times of national emergency. Yet, despite owning and operating three U.S. built vessels

Tropical has no ability to document these U.S.-built, and US owned vessels under the U.S. flag with a coastwise endorsement.

5. While Tropical believes that the proposed rulemaking is consistent with existing law, Tropical wishes to take this opportunity to suggest that Customs re-examine the paradigm used by Customs for determining whether a vessel should be permitted to operate in the Jones Act trade. Tropical believes that Customs should determine the nature of Jones Act vessels by prioritizing the U.S. citizen interest in such vessels. We suggest the following:

(a) A U.S.-built, U.S. citizen- owned vessel documented under the U.S.-flag with a coastwise endorsement should always have priority in the Jones Act-protected trades.

(b) A U.S.-built, U. S. citizen-owned vessel, which had been permitted to be documented under a foreign registry, when re-documented under U.S.-flag should be given a coastwise endorsement and admitted into the Jones Act-protected trades.

We believe by creating these priorities more US built vessels will be attracted to U.S.-flag documentation and will be available to serve the Jones Act trades, especially when there is a shortage of such vessels or in times of national emergencies when Jones Act vessels are not available.

We believe that this prioritization also may provide a source of US built vessels that can aid the US capabilities for short sea shipping between U.S. ports as part of the Marine Highway actively under consideration.

Thank you for your consideration of these comments.

Sincerely,

Tropical Shipping & Construction Co., Inc.



By Rick Murrell

Chairman and President



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August 14, 2009

Edward R Spaulding
Government and Public Affairs
Manager

Policy, Government and Public
Affairs
Chevron North America
Exploration and Production
Company
(a Chevron U.S.A. Inc. division)
1400 Smith Street
Houston, TX 77002
Tel 713 372 5513
Fax 713 372 5505
espaulding@chevron.com

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:

Chevron U.S.A. Inc. ("Chevron") supports and adopts the comments filed by the American Petroleum Institute ("API") in response to the Customs and Border Protection's ("CBP") referenced proposal in CBP's bulletin dated July 17, 2009, at pages 54-118 ("Notice"). Although the CBP is charged with interpreting the Jones Act, Chevron encourages it to do so in a manner that does not inadvertently undermine the U.S. oil industry's efforts to supply the country with economical energy from domestic resources. Chevron also reserves the right to comment on the twelve rulings listed on pages 59 and 61-62 of the Notice that CBP identifies for future modifications when those revised rulings are published.

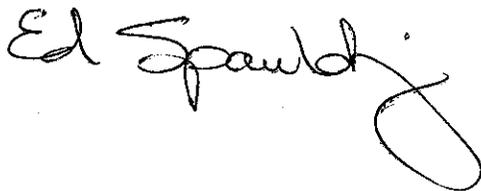
Chevron further proposes that CBP postpone the effective date of its revised rulings to allow the oil and gas industry time to perform contracts that were negotiated in reliance on CBP's prior rulings. Complex installations in thousands of feet of water require operators to negotiate long-range contracts with a limited number of vessel contractors who have the few assets capable of handling the work. When entering into these contracts, Chevron justifiably relied on CBP's prior rulings that the use of foreign flagged vessels for these operations is permissible. Requiring Chevron to find alternative vessels will wreak havoc on its scheduled activities and would very likely delay the commercialization of much needed domestic oil and gas production.

Finally, Chevron questions the CBP's proposal to limit the definition of "vessel equipment," which foreign flag vessels may permissibly transport, to materials necessary for the "operation" of the vessel "itself." For the past seventy years, CBP has consistently defined the word, "operation," to mean

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Page 2

work for the vessel's customers, like Chevron. Modifying "operation" with the word, "itself," would make the term redundant with vessel equipment used for "navigation" or "maintenance." Doing so is contrary to the rules of statutory construction, which requires a reading that does not render any terms redundant.

Sincerely,

A handwritten signature in cursive script that reads "Ed Spaulding". The signature is written in black ink and is positioned below the word "Sincerely,".

LISKOW & LEWIS

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August 14, 2009

Thomas Beron

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VIA FEDERAL EXPRESS

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

Re: **COMMENTS REGARDING 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**
Our File No. 07150.020

Dear Ms. Bell:

The undersigned represents BHP Billiton Petroleum (Deepwater) Inc., BHP Billiton Petroleum (GOM) Inc. and BHP Billiton Petroleum (Americas) Inc. For the sake of simplicity, these three Delaware corporations will be referred to in this letter collectively as "BHP Billiton Petroleum."

BHP Billiton Petroleum is engaged in the exploration and production of oil and gas on the Outer Continental Shelf in the U.S. Gulf of Mexico. Because Customs and Border Protection's ("CBP") 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 ("Proposed Revisions") will significantly impact BHP Billiton Petroleum's operation in the Gulf of Mexico, we respectfully present the following comments.

BHP Billiton Petroleum is a member of the American Petroleum Institute ("API"). As such, BHP Billiton Petroleum hereby endorses and includes by reference the comments regarding the Proposed Revisions tendered to CBP by API on its members' behalf. BHP Billiton Petroleum's comments provided in this submission are consistent with the general intent of API's submission.

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SUMMARY OF COMMENTS

1. **CBP should adhere to its precedent establishing the rules for what constituted “vessel equipment” and “merchandise” under the Jones Act that have been relied upon by industry for more than thirty years in allocating and investing resources in offshore development in the Gulf of Mexico.**
2. **BHP Billiton Petroleum is the U.S. affiliate of a foreign corporation that has invested over Six Billion Dollars¹ in oil and gas exploration and development in the Gulf of Mexico on the Outer Continental Shelf of the United States (“U.S.”). The Proposed Revisions will have an adverse impact on BHP Billiton Petroleum’s operations and potentially jeopardize its commitment to petroleum operations in U.S. waters.**
3. **The oil and gas produced by BHP Billiton Petroleum in the Gulf of Mexico remains in the U.S. and contributes to the reduction of U.S. dependence on foreign petroleum imports. The Proposed Revisions have the potential to decrease oil and gas production rates in the Gulf of Mexico which could lead to increased dependence on imported petroleum products and higher oil and gas prices in the U.S.**
4. **The lead time for exploring, developing and producing hydrocarbons from deepwater mineral leases can exceed ten years. CBP should therefore include a transition period in any final position to allow projects underway and/or existing contracts to proceed under the current regime.**
5. **BHP Billiton Petroleum urges CBP to slow down and allow the full ramifications of the Proposed Provisions to be studied in detail prior to adopting any position that overturns 30 years of precedent.**

I. BHP Billiton Petroleum and its Operations in the U.S. Gulf of Mexico.

BHP Billiton Limited (“BHP Billiton”) is the world’s largest mining company with approximately 35,000 employees worldwide. Created as a result of the merger of BHP Limited and Billiton Limited in 2001, the company’s worldwide operations are comprised of three main

¹ Since July of 2002. The actual total since BHP Billiton Petroleum began investing in Gulf of Mexico operations is far greater.

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businesses—minerals, petroleum, and steel. BHP Billiton Petroleum is the umbrella organization charged with discovery, production, and marketing of hydrocarbons worldwide.

While BHP Billiton Petroleum is responsible for all petroleum operations, it does so in the U.S. through our three client entities: BHP Billiton Petroleum (Americas) Inc., BHP Billiton Petroleum (GOM) Inc., and BHP Billiton Petroleum (Deepwater) Inc. These entities collectively employ over 250 people in the U.S. each dedicated to BHP Billiton Petroleum's operations in the Gulf of Mexico.

Beginning in the early 1970s, BHP Billiton entered the U.S. oil and gas market with the target of finding and producing oil and gas in the Gulf of Mexico. Today, the U.S. represents a material part of BHP Billiton's worldwide petroleum business. BHP Billiton Petroleum's leasehold assets in the U.S. are completely focused in the Gulf of Mexico and consist predominantly of high volume oil and gas prospects in deepwater.² While these deepwater prospects are potentially lucrative in terms of reservoir capacity, they are accompanied by considerable challenges that include high costs, sensitive environmental issues, and an absolute requirement to develop and engage highly sophisticated technology. Even though BHP Billiton Petroleum is the U.S. subsidiary of a foreign company, *all of the oil and gas produced by BHP Billiton Petroleum in the Gulf of Mexico remains in the U.S. and directly decreases the country's reliance on foreign energy sources.*

BHP Billiton Petroleum currently owns leasehold interests in approximately 320 offshore lease blocks in the Gulf of Mexico covering in excess of 1.6 million acres. The majority of these leases are located in deepwater and are concentrated in the Green Canyon, De Soto Canyon, and Alaminos Canyon areas. Bonus payments and rentals (i.e., payments made to acquire and maintain leases) alone represent a committed investment for lease acquisition of more than \$420 million over the last nine years. These funds are paid into the general fund of the U.S. Treasury and shared with the affected States, and set aside for special uses that benefit all 50 States. Notwithstanding this considerable financial investment in the Gulf of Mexico, BHP Billiton Petroleum continues to aggressively identify and pursue new leasing opportunities.

In 2007, 2008 and thus far in 2009, BHP Billiton Petroleum successfully bid on and acquired interests covering 112 offshore blocks at lease sales administered by the Department of Interior's Minerals Management Service (the "MMS") at a total acquisition and first year rental cost of over \$320 million. At Central Lease Sale 206 and Eastern Lease Sale 224, both held on March 19, 2008, BHP Billiton Petroleum was successful high bidder on 70 of 79 blocks it bid winning more leases than any other bidder. This underscores BHP Billiton Petroleum's strong desire to build its business in the Gulf of Mexico.

Far from being a passive investor in the Gulf of Mexico, BHP Billiton Petroleum strives to "operate" its offshore developments whenever possible. In this oil and gas context, the word "operator" means the company actually responsible for engaging in drilling, production and development of a lease. Among the operator's inherent responsibilities are identifying and

² Deepwater is generally considered water depths in excess of 1,000 feet.

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chartering the marine vessels to support all phases of offshore oil and gas operations (i.e., exploration, development, production and abandonment).

BHP Billiton Petroleum currently operates several large-scale offshore projects. BHP Billiton Petroleum's first operated stand-alone deepwater development in the Gulf of Mexico is called "Neptune" and began production in July of 2008. It has the capacity to produce 50,000 barrels of oil per day and an increasing amount of natural gas. Neptune stands in 4,250 feet of water in the Green Canyon Block 63 approximately 120 miles from the Louisiana coast. Importantly, Neptune is one of the few deepwater hydrocarbon production facilities to be constructed wholly in the U.S. Six different subsea wells are connected to the Neptune platform with others currently under development. BHP Billiton Petroleum's share of the cost for the Neptune development was approximately \$418 million.

BHP Billiton Petroleum's Genghis Khan began producing oil and gas in October of 2007. Along with its related Shenzi platform, the Shenzi/Genghis Khan development covers nearly six offshore lease blocks (approximately 30,000 acres) in the Green Canyon Area in water depths of approaching 4,300 feet. The Shenzi platform is capable of producing 100,000 barrels of oil and 50 million cubic feet of gas per day. At a cost of nearly \$2 Billion to BHP Billiton Petroleum, the Shenzi venture is representative of BHP Billiton Petroleum's current intent to locate and produce high volume hydrocarbon assets in the Gulf of Mexico for transport and delivery into the U.S. market.

II. The proposed revisions and revocations misinterpret the law and improperly eliminate precedent relied upon by industry for 30 years.

The Proposed Revisions improperly revoke rulings establishing the rules for what constituted "vessel equipment" and "merchandise" under the Jones Act that have been relied upon by industry for more than thirty years in allocating and investing resources in offshore development in the Gulf of Mexico. CBP is overturning this long-standing precedence based on what BHP Billiton Petroleum believes is a flawed interpretation of the law that severely and adversely impacts production efforts in the Gulf of Mexico.

a. The Jones Act's Cabotage Provisions.

The Merchant Marine Act of 1920, commonly referred to as the "Jones Act," was a wide-reaching maritime law that contained a series of "cabotage" or coastal trade law provisions. The Jones Act's cabotage provisions are currently found at 46 U.S.C. § 55101, *et seq.* It requires that vessels built in and documented under the laws of the U.S. and, for the most part, owned by U.S. citizens be used to transport merchandise and passengers between U.S. coastwise points. In pertinent part, the Jones Act states:

No merchandise . . . shall be transported by water, or by land and water, on penalty of forfeiture of the merchandise, . . . between points in the United States . . . embraced within the coastwise laws, either directly or via a foreign port, . . . in any other vessel than a

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vessel built in and documented under the laws of the United States and owned by persons who are citizens of the United States.

46 U.S.C. § 55102. As a result, foreign flagged vessels cannot be used to transport merchandise between U.S. coastwise points. Anything properly classified as “merchandise” must be transported between coastwise points on coastwise qualified vessels. The Jones Act is a protectionist statute whose general purpose is to ensure national control over and promotion of domestic maritime transportation infrastructure.

The Jones Act cabotage provisions apply to the entire U.S., including, with some exceptions, its island territories and possession. 46 U.S.C. § 55101. The Jones Act applies only to the transportation of merchandise between “points in the United States.” Offshore facilities permanently or temporarily affixed or moored to the Outer Continental Shelf (“OCS”) have traditionally been considered coastwise points by CBP. The Outer Continental Shelf Lands Act (“OCSLA”), 43 U.S.C. 1331, *et seq.*, mandates that U.S. law apply to all facilities that are attached to the seabed for purposes of exploration, production, and development of natural resources, including oil and gas. Section 4(a) of OCSLA, 43 U.S.C. 1333(a)(1), states that U.S. laws:

are hereby extended to the subsoil and seabed of the [OCS] and to all artificial islands, and all installations and other devices permanently or temporarily attached to the seabed, which may be erected thereon for the purpose of exploring for, developing, or producing resources therefrom, or any such installation or other device (other than a ship or vessel) for the purpose of transporting such resources, to the same extent as if the [OCS] were an area of exclusive Federal jurisdiction located within a State.

CBP has interpreted this to mean that installations on the OCS are coastwise points. The breadth of that interpretation was necessarily expanded in 1978 when Congress amended OCSLA to include temporarily attached, as well as fixed devices, on the seabed. CBP has often cited this amendment’s legislative history to demonstrate the extremely inclusive breadth of OCSLA’s coverage of seabed structures: “Federal law is to be applicable to all activities on all devices in contact with the seabed for exploration, development, and production.” 1978 U.S.C.C.A.N. 1450, 1534. Nevertheless, the Jones Act was enacted before there was any significant development on the Outer Continental Shelf. It was designed to promote a strong merchant marine with vessels and mariners that the nation could call on in time of war. It did not contemplate the wide array of special purpose vessels that would eventually be employed in the offshore oil and gas industry.

b. The Jones Act prohibits the carriage of “merchandise” between coastwise point, not equipment, supplies, or material in general.

The Jones Act’s problematic fit with the offshore oil and gas industry becomes particularly evident when an unreasonable and overly expansive definition is applied to the term

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“merchandise.” The Jones Act itself provides little guidance on what is or is not “merchandise.” It purports to define the term, but states only that “merchandise” includes valueless material as well as “merchandise owned by the United States Government, a State, or a subdivision of a State.” 46 U.S.C. 55102(a). The word “merchandise,” however, has a clear and commonly understood meaning that focuses on items that are being bought and sold in commerce. Black’s Law Dictionary (“Blacks”) defines “merchandise” as follows:

All goods which merchants usually buy and sell, whether at wholesale or retail; wares and commodities such as ordinarily are the objects of trade and commerce. But the term is generally not understood as including real estate, and is rarely applied to provisions such as are purchased day by day for immediate consumption (e.g. food).

CBP has traditionally looked to the Tariff Act of 1930 for its working definition of merchandise. The Tariff Act’s definition is in line with the common usage cited in Blacks. It defines merchandise to mean “goods, wares, and chattels of every description, and includes merchandise the importation of which is prohibited, and monetary instruments defined in section 5312.” 19 U.S.C. § 1401(c). The words “goods, wares, and chattels” imply items carried in commerce. While that definition is broad, it clearly does not encompass all objects. It has always been understood to exclude items required for the proper operation of the vessel itself, and CBP has traditionally considered moveable items that support the operation and navigation of a vessel to be equipment, not merchandise.

c. Vessel equipment are moveable items used by the vessel in the furtherance of its mission.

Distinguishing vessel equipment from merchandise can be difficult in the context of special purpose craft that carry the wide variety of tools employed in the offshore exploration and production of natural resources. CBP’s determination of what constitutes vessel equipment has been based on a 1939 Treasury Department decision, T.D. 49815(4), that defined equipment as follows:

The term “equipment,” as used in section 309, as amended, includes portable articles necessary and appropriate for the navigation, operation, or maintenance of the vessel and for the comfort and safety of the persons on board. It does not comprehend consumable supplies either for the vessel and its appurtenances or for the passengers and the crew. The following articles, for example, have been held to constitute equipment: rope, sail, table linens, bedding, china, table silverware, cutlery, bolts and nuts.

Under T.D. 49815(4)’s definition, items on board a vessel that support the navigation, operation, or maintenance of a vessel constitute equipment, not merchandise, while items merely

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transported by the vessel as cargo are merchandise. It is important that even in 1939, the concept of operation of a vessel was understood to be distinct from the vessel's navigation. Navigation of the vessel means getting the vessel from point A to point B. Operation of a vessel refers to the performance of its mission or purpose, which is broader than just its movement.

In a 1976 Treasury Decision, T.D. 78-387, CBP provided further guidance on this distinction in the context of offshore oilfield exploration and production. In that decision, CBP held that "the transportation of such materials and tools necessary for the accomplishment of the mission of the vessel" was not a violation of coastwise trade. The decision recognized that the offshore oil and gas industry employs a wide variety of special purpose vessels. Many of those non-traditional vessels carry materials and tools necessary for them to perform some mission. By speaking in terms of accomplishing the mission of the vessel, T.D. 78-387 recognized, especially in the offshore oil and gas exploration context, that "operation" of a vessel was broader and distinct from its mere navigation.

The Proposed Revisions misconstrue T.D. 78-387's discussion of the interplay between vessel equipment and the "operation" of the vessel. Nowhere does that decision hold or even infer that equipment must be used for the operation of the vessel itself in the narrow sense that CBP now proposes. To the contrary, the decision made it clear that the vessel's "operations" were directly tied to its mission and even encompassed activities off of the vessel itself. The undersea repair work and pipe-laying operations were understood to be vessel operations under the proposal. The vessel at issue was multifaceted, and its "operations" included both of those functions. The transportation of the materials and equipment necessary for that work was permissible because it was "incidental to the vessel's operations." *Id.* at ¶ (6). Likewise, "[t]he transportation of pipeline burial tools by the work barge for use by the crew of the work barge to accomplish the pipelaying operations [was] not an activity prohibited by the coastwise laws since such tools are considered to be part of the legitimate equipment of the vessel." *Id.* at ¶ (4). In both cases, the work of the vessel "itself" was located physically away of the vessel but was done on or from the vessel.

The Proposed Revisions' characterization of a vessel's "operation" as somehow being distinct from the vessel's mission or purpose renders the term, at best, an enigma. The opposite is true. The vessel's mission or purpose defines the scope of its operations. The vessel operates to fulfill a mission or purpose. It navigates to get from point A to point B. That navigation is certainly essential to a vessel's operation because the vessel cannot operate until it gets where it has to go. Likewise, the vessel conducts maintenance so that it is fit both to navigate and to operate. That maintenance is critical to the vessel's operation because it cannot operate or fulfill its mission if it cannot get where it has to go and its equipment is not ready to perform the assigned mission once it gets there. However, both the navigation and maintenance of a vessel are ancillary to and support its operation, and its operation is defined by its mission – the thing that the vessel has been tasked to accomplish.

The vessel's equipment are items that allow it to accomplish its assigned mission. By any recognized definition of the term "merchandise," equipment must include the tools employed or used by the vessel or its crew to accomplish its mission. An item that is used by a

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vessel or its crew to operate – to perform a given task – is by definition something other than goods, wares, or chattels bought or sold in commerce. Such tools are equipment that allow a vessel to fulfill its intended purpose.

d. The Proposed Revisions improperly constrict material that can be carried onboard foreign flagged vessels and used in the repair of platforms and subsea structures.

T.D. 78-387 contained two caveats. It warned that articles to be “**installed**” on an offshore platform (as opposed to a subsea structure) would normally – not always, normally – be considered merchandise. It further cautioned that repair material or components to be installed on subsea structures that were both foreseen and of more than *de minimis* value had to be transported by coastwise vessels:

However, while materials and tools, as described above, which are necessary for the accomplishment of the mission of the vessel are not considered merchandise within the meaning of section 883, any article **which is to be installed** and therefore, in effect, landed at an offshore drilling platform is normally considered merchandise. We are of the opinion that if the necessity of the repair of, or the installation of repair materials onto, the underwater portions of the drilling platform **is foreseen and requires a repair material or component of more than de minimis** value (such as a structural member), the transportation to the repair site must be effected by a vessel entitled to engage in the coastwise trade.

Id. at ¶ (6)(emphasis added). Tools and materials that are not to be installed or incorporated into the offshore structure but that will return to the vessel do not fit this description. They remain vessel equipment despite the fact that the work is not physically on the vessel – the work is still conducted from the vessel.

The Proposed Revisions, though, repeatedly misrepresent T.D. 78-387 and make that requirement more stringent by requiring for foreign flagged vessels that (1) the offshore repair work be unforeseen, (2) that the material used in the repairs be of *de minimis* value, and (3) that the materials normally be carried as supplies on the vessel. As seen in both the previous quote and the following, the actual requirement has been that if the repairs are foreseen, the materials used must be of *de minimis* value and normally carried aboard the vessel as stores: “in view of the nature of these underwater operations, a vessel engaging in the inspection and repair of offshore or subsea structures may carry with it repair material of *de minimis* value or materials necessary to accomplish unforeseen repairs, provided that such materials are usually carried aboard the vessel as supplies.” If the repair is foreseen, the materials used must be of *de minimis* value and normally carried aboard the vessel as supplies. If the repairs are unforeseen, there is no limit to the value so long as the materials are normally carried aboard the vessel as supplies.

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The Proposed Revisions' changes to long-standing precedent as to what it means to operate a vessel, what items are equipment used by a vessel in the conduct of its operations, and what materials it is permissible for a foreign-flagged vessel to carry without violating U.S. cabotage laws represent a sea-change in CBP's approach to offshore operations and are not supported by law or CBP precedent.

III. The Proposed Revisions significantly impact BHP Billiton Petroleum's operations in the Gulf of Mexico.

The Proposed Revisions will significantly impact the availability of certain types of vessels for critical missions in the Gulf of Mexico, particularly after a catastrophic event like a major hurricane, and correlatively, the costs associated with those vessels that are available. This dramatic shift could alter financial projections and call into question the viability of certain offshore operations and the validity of lease obligations.

a. BHP Billiton Petroleum and other operators in the Gulf of Mexico are heavily dependent on foreign flagged vessels for certain specialty missions.

Because the heart of BHP Billiton Petroleum's oil and gas operations lie in the Gulf of Mexico, it relies on a tremendous number of offshore support vessels to carry on its business. Over the last ten years, projects in which BHP Billiton Petroleum has been involved have spent over \$500 million on ships and other vessels supporting ventures in the Gulf of Mexico. Simply put, without access to the wide breadth of vessels required to undertake offshore operations, BHP Billiton Petroleum (and most other companies currently producing oil and gas from the OCS) will have a tremendously difficult time continuing to produce hydrocarbons at current rates.

If the Proposed Revisions are adopted "as is," the consequential expansion of existing coastwise cabotage restrictions could well result in an immediate and devastating reduction in vessel availability for operations in the Gulf of Mexico. There simply are not enough U.S. flagged vessels to meet demand in certain critical mission areas. Further, it is quite possible that any such shortage will be of a significant duration.

Owners of offshore support vessels are in the business or renting (or "chartering") their vessels. If further protectionist restrictions prohibit or otherwise hinder their ability to charter vessels in the Gulf of Mexico, the inherent mobility of a vessel makes it an easy matter of moving to markets where charters are easier. If these specialized offshore support vessels cannot work in the Gulf of Mexico, they will simply move to other areas where they are in equally high demand, including oil and gas developments off the coasts of Africa, Brazil and Europe. The result is that these vessels will be unavailable in the U.S. market—a fact particularly troubling when one considers that all of the current oil and gas infrastructure in the Gulf of Mexico is susceptible to damage every year during hurricane season. Their unavailability following the next storm like Ivan, Rita, or Katrina will be catastrophic.

Finally, as CBP knows, the U.S. currently imposes some of the strictest cabotage laws in the world. It is worth carefully considering that one result of the Proposed Revisions may be

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retaliatory action by other nations whose fleets may be negatively impacted by the proposed changes.

b. BHP Billiton Petroleum's decisions to invest hundreds of millions of dollars into the development of resources on the OCS were made in reliance on existing CBP precedent and the effect that precedent had on projected costs.

As discussed above, since mid-2000 BHP Billiton Petroleum has paid or committed to direct investments in excess of \$420 million for oil and gas lease bonus and rental payments in the Gulf of Mexico. Factoring in costs necessary to realize the value of its investment (such as geoscience and due diligence costs, including payments to third parties, and internal costs and expenses), long term contracts for drilling and production infrastructure, direct and indirect operating expenses in support of exploration activities, and a proportional share of general and administrative expenses, BHP Billiton Petroleum's net investment in the Gulf of Mexico since 2002 is over \$6 billion.³

BHP Billiton Petroleum made its investment decisions relying, among other things, on certain financial assumptions that were founded in part on CBP precedents that established the rules as to what constituted "vessel equipment" and "merchandise" under the Jones Act. These assumptions included good faith estimates on the costs and availability of vessels necessary for all phases of offshore oil and gas operations. Simply stated, the costs and availability of vessels necessary to conduct proposed operations in the Gulf of Mexico was a major factor used by BHP Billiton Petroleum (and others in the industry) in determining lease bids.

Most if not all of the leases acquired by BHP Billiton Petroleum in the Gulf of Mexico were issued on Form MMS-2005 (March 1986) (the "Lease Form"). The Lease Form contains certain provisions regarding applicable statutes and regulations "...in existence upon the Effective Date of this lease...". CBP's reversal of its longstanding position regarding merchandise and vessel equipment under the Jones Act as applied through the Outer Continental Shelf Lands Act to oil and gas production in the Gulf of Mexico may amount to a change in the applicable law that could be deemed a constructive repudiation of the one or more of the leases by the U.S. resulting in entitlement to restitution.

IV. The current schedule for the implementation of the Proposed Revisions is unreasonable and does not allow for proper analysis of their impact on operations in the Gulf of Mexico or informed compliance on the part of BHP Billiton Petroleum and other offshore operators.

The schedule promulgated by CBP for the implementation of the Proposed Revisions is unreasonable. As we have discussed, the Proposed Revisions appear to represent a major shift in CBP policy and, as written, could have a wide-reaching impact. The time that CBP authorized

³ Since July of 2002. The actual total since BHP Billiton Petroleum began investing in Gulf of Mexico operations is far greater.

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for comments on the Proposed Revisions and the current schedule for their implementation are not sufficient for meaningful analysis of their scope and impact. CBP's insistence on proceeding in such a short-fused manner for such a major change seriously undermines the Proposed Revisions' reference to Congressionally mandated "informed compliance" and "shared responsibility." Extra time should be allowed for comments before any changes are adopted, or, in the alternative, CBP should engage in Negotiated Rule Making. If adopted, the Proposed Revisions should not be implemented on the currently planned 60 day schedule. Existing contracts and charters that would be implicated in the adoption of any revisions should be "grandfathered" for their duration.

a. BHP Billiton Petroleum should be allowed additional time to analyze and comment on the Proposed Revisions.

BHP Billiton Petroleum requested additional time to comment on the Proposed Revisions because of its potentially broad and poorly understood scope and the impact it could have on BHP Billiton Petroleum's operations. CBP denied BHP Billiton Petroleum's request for additional time to comment. Because the Proposed Revisions set forth what could be a sea-change in how operations are conducted in the Gulf of Mexico, BHP Billiton Petroleum respectfully requests that CBP reconsider extending the time to comment on the Proposed Revisions by one year.

b. CBP should engage in Negotiated Rule Making.

Another way forward would be for CBP to withdraw the Proposed Revisions and engage in formal, negotiated rulemaking pursuant to the Negotiated Rulemaking Act, 5 U.S.C. § 561, *et seq.* The Negotiated Rulemaking Act allows an agency to establish a negotiated rulemaking committee to negotiate and propose a rule if that process would be in the public interest. The Proposed Revisions have a potentially broad scope and could impact a diverse array of businesses involved in the offshore industry in the Gulf of Mexico, billions of dollars of investment, thousands of jobs, and the viability, reliability, and security of offshore domestic oil and gas production. It would very much be in the public interest to have diverse stakeholders representing those interests directly involved in the development of this type of far-reaching revision.

c. Additional time should be allocated before the Proposed Revisions become effective if they are adopted.

If CBP nevertheless chooses to adopt the Proposed Revisions, or some version thereof, it should delay their implementation by at least a year so that BHP Billiton Petroleum and other operators in the Gulf of Mexico can analyze existing operations and implement necessary changes. CBP has reserved to itself the option of specifying a date for which any rule or revision becomes effective other than default sixty day period. 19 C.F.R. § 177.10(e). CBP should exercise this option given the magnitude of the proposed changes and the potential scope of their impact. Over the past ten years, BHP Billiton Petroleum has had vessels under contract for, on average, approximately 200 days per year. A large percentage of those vessels have been

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foreign-flagged, especially for certain categories of vessels for which there are few U.S. flagged options. BHP Billiton Petroleum and other operators in the Gulf of Mexico will require much more than 60 days to analyze their operations and existing contracts for compliance with these changes and implement necessary changes. The scarcity of certain types of U.S. flagged vessels makes the whole process more problematic. At a minimum, one year will be required, and even that may result in the interruption of operations. CBP emphasized the need for "informed compliance" and "shared responsibility" in this process when it issued the Proposed Revisions for comment. A rapid enforcement of a change of this magnitude and uncertainty on the schedule now proposed makes those words sound hollow.

d. Existing charters and contracts should be "grandfathered" under current Jones Act interpretation for those contracts' duration.

At a bare minimum, CBP should "grandfather" all existing vessel contracts to current Jones Act standards. Any vessel that is under charter or contract on the date any version of the Proposed Revisions become effective should be allowed to operate for the duration of the contract period under the Jones Act enforcement standards as they currently exist.

CONCLUSION

BHP Billiton Petroleum's preparation of the comments contained in this letter has been rushed in an effort to meet CBP's deadline of August 16, 2009. Consequently, BHP Billiton Petroleum and others in the industry have had insufficient time to fully and carefully analyze the potential impact that the Proposed Revisions will have on its operations, its employees, and ultimately, its investment in the U.S. oil and gas industry.

BHP Billiton Petroleum believes that in reversing of 30 years of precedent that BHP Billiton Petroleum and others in the industry have relied upon, CBP may in a few short months turn upside-down many of the assumptions, timelines, investment paradigms, and commodity pricing that have stabilized the domestic offshore oil and gas industry in modern times. The ill-defined nature and potentially broad sweep of the Proposed Revisions exacerbate the problem. On careful study, the ultimate result of such a reversal may be far worse.

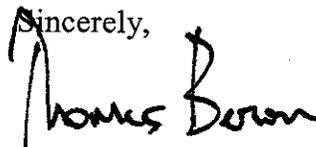
It is not far fetched to conclude that the Proposed Revisions could result in a sudden and severe disruption of domestic oil and gas supply as companies scramble for coastwise endorsed vessels. The resulting reduction in domestic oil and gas would lead to increased reliance on imported petroleum products and the accompanying higher prices at the gas pump. Similarly, thousands of employees of oil and gas companies could lose jobs as exploration and production companies curtail domestic offshore operations or, worse, shift operations to overseas areas where similar legislation is not present. Finally, it is conceivable that revenues (and the resulting tax collections) could decrease significantly as domestic offshore production ebbs.

We strongly urge CBP to cease plans to reverse its position and retract the Proposed Revisions. At a minimum, it should adopt a more conservative and measured approach in proceeding forward. The potentially devastating consequences of an ill-timed and under-studied reversal of 30 years of precedent should not be treated lightly. For the reasons discussed above,

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we strongly recommend that CBP maintain the status quo with regard to its history of rulings defining the limits of the terms "vessel equipment" and "merchandise." However, at a minimum, we urge that CBP reconsider its timeline in consideration of the broad implications to the offshore oil and gas industry and extend the comment period by 30-60 days.

BHP Billiton Petroleum appreciates the opportunity to provide these comments. If you have any questions or would like clarification of any aspect of this letter, please do not hesitate to contact us at your convenience.

Sincerely,

Thomas Beron

TEB/dkk

cc: Jessica A. Devitt
Brett D. Wise

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US EXPRESS MAIL

August 14, 2009

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: U.S. Customs and Border Protection General Notice 19 CFR Part 177 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 dated June 22, 2209

Dear Sir:

I represent Global Marine System Limited ("GMSL"), a UK company, which owns and operates a fleet of modern cable vessels exclusively used in the laying and repair of international submarine cables. The purpose of this letter is to request a 30 day extension in which to submit formal comments on the captioned modification and revocation of ruling letters dated June 22, 2209. My client and I only became aware of the notice today.

As I understand the proposed change, it would become a violation of the Jones Act for a vessel not registered in the United States to lay or repair an international submarine communications cable anywhere on the continental shelf claimed by the United States. Such a change, besides creating havoc for my client by disrupting existing contracts with US telecommunication companies, will place at risk the vital submarine cable infrastructure network of the United States.

There are approximately 35 submarine cables landing in the United States landing in Hawaii, Alaska, Puerto Rico, the U.S. Virgin Islands, California, Oregon, Washington, Massachusetts, Rhode Island, New York, New Jersey, and Florida. These cables, each the diameter of a garden hose, provide 95% of the international voice, data, and video traffic between the United States and the rest of the world. The entire internet is dependent upon these few cables.

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At the present time, there are **no** civilian cable ships registered in the United States. The only U.S. vessel is the USNS Zeus, a cable ship owned and operated by the U.S. Navy and unavailable for work by commercial companies.

Cable ships are custom designed and built for the specific purpose of laying and repairing submarine cables. There are a very limited number of these specialist ships in the world. GMSL's ships are registered under the United Kingdom registry. Our fellow cable ship competitors are Tyco, a Bermuda company, whose cable ships are registered in the Marshall Islands, and Alcatel, a French company, whose vessels are registered in France. Vessels from these companies perform virtually all of the cable laying and repair of cables landing in the United States or transiting the US continental shelf.

Many of these ships are under long term contracts with the various telecommunication companies that own or operate the communication cables, including AT&T, Verizon, Sprint, and all others that allow the United States to communicate with the world. Under these contracts, the ships are required to sail within 24 hours of notification of a fault to carry out emergency repairs.

The prior rulings for which revocation is sought correctly described cable as ship's equipment. The cable is loaded on the vessel in special tanks at a US or foreign port designated by the cable manufacturer and then laid at sea using special ship's equipment. Cable not laid is then landed at a cable depot in a US port or foreign port to be used as an emergency spare in the event that the cable system suffers a fault and needs repair. It is that simple. No carriage of the cable takes place between US ports except as described above. Depots servicing US cables are currently maintained for different international systems and different cable ships in Bermuda, Curacao, Baltimore, Portland, Or., Honolulu, and Guam.

The prior rulings are also consistent with international law to which the United States adheres.¹ Submarine telecommunication cables are not related to natural resources. These treaties provide for the freedom of navigation and to lay and maintain international cables, whether for telecommunications, power, or military purposes, outside of territorial seas and upon the continental shelf.² The proposed change conflicts with these treaties and international law by impeding the ability of cable owners to repair international cables outside territorial seas and restricting the ability of non-US flag cable ships to navigate as they lay and repair cables on the continental shelf. The abrupt change of law proposed may certainly encourage other nations where US cables land to retaliate and impose similar restrictions. Such actions will undermine what is a universally admired example of international cooperation for the laying and repair of international cables.

¹ Geneva Convention on the Continental Shelf (Apr. 29, 1958) ("Continental Shelf Convention"); Geneva Convention on the High Seas (Apr. 20, 1958) ("High Seas Convention"), 13 U.S.T. 2313, T.I.A.S. 5200, 450 U.N.T.S.; United Nations Convention on the Law of the Sea (1982) ("UNCLOS"). The United States is a signatory to UNCLOS, but has taken the position pending ratification by the U.S. Senate that this treaty reflects customary international law to which the United States adheres. 19 Weekly Comp. Pres. Doc. 383 (Mar. 10, 1983)

² Article 4, Continental Shelf Convention, Article 26, High Seas Convention, and Articles 58, 79, 87, and 112-115, UNCLOS. NEWYORK/101202.1

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Besides commercial communications, vital U.S. government communications, including diplomatic and military traffic are carried on these cables. The U.S. financial, banking industry and Federal Reserve rely almost exclusively on these cables.

Finally, many of these ships are, from time to time, employed by the Department of Defense through the U.S. Navy to carry out sensitive cable laying and repairs of security cables owned and operated by the U.S. Government. This is especially true when the USNS Zeus is unavailable. In this regard, I urge you to contact the U.S. Navy for a non-industry evaluation of the risk being created by the proposed change. Dr. Herb Hermmann (202-210-2221) or Catherine Creese (202-433-5325) of the U.S. Navy Office of Seafloor Management are neutral, knowledgeable and can confirm the statements in this letter.

If the proposed change is enacted, it is no exaggeration to state that U.S. national security will be compromised. This is because there are no U.S. flag vessels that can step in to fill the vacuum created by the disqualification of all of the world's existing cable ships. If a cable suffers a fault, my client's ships will not be able carry out the emergency repairs-there is no back up for the United States.

I enclose a press report from Wednesday about a massive disruption of cables in the Pacific ocean off of China. At least eight international cables have suffered 10 faults. Besides cable ship's under contract to repair these ships, including my clients, foreign flag cable ships from throughout the region are being deployed to begin the lengthy emergency repair process. Should a similar event occur of the U.S. West Coast, a similar response will be required. But a response which the proposed change will make illegal. Besides natural disasters, cuts from fishing vessel gear and vessel anchors, or even terrorist risks should be carefully weighed before so suddenly upsetting the only system in place to maintain the United States' critical international infrastructure.

It is my client's belief that there is substantial critical information which CBP would benefit from and which can be supplied by my client and others in the industry. But more time is needed to assemble it.

Accordingly, we respectfully request a 30 day extension by which to file our full comments. Please feel free to call me if you have any questions on these limited comments and the extension request.

Sincerely,

SQUIRE, SANDERS & DEMPSEY L.L.P.



Douglas R. Burnett

Multiple cable cuts impact Asian traffic: again!

Network traffic was severely impacted across Asia as a result of multiple cable cuts on key systems in the region in the early parts of this week. This echoed events that took place on Boxing Day back in 2006, when six out of seven systems was cut as a result of an earthquake off the southern coast of Taiwan.

While a complete picture of the situation is still emerging, CommsDay understands that APCN2, APCN, EAC and SMW3 were impacted near Taiwan, adversely impacting traffic flow in and out of the region.

A ComputerWorld Singapore report put the time of the fault on APCN2 at 10:50am Wednesday. The affected segment was between China and Taiwan, forcing regional Internet traffic to be routed onto other systems. The report suggests that the APCN2 cut impacted the performance of the Internet for users in South East Asia.

The report also highlighted two previous faults on APCN2 - on Segment 7 connecting Hong Kong and Taiwan and on Segment 1 connecting Singapore and Malaysia. The sources told ComputerWorld that the cause of the fault was still unknown. However, a Straits Times report is suggesting that Typhoon Morakot, which triggered massive flooding in Taiwan, is the cause of the latest APCN2 cut.

A spokesman for Pacnet also confirmed to ComputerWorld that there were "double faults" on its pan-Asian EAC system off the coast of Taiwan over the weekend. According to the report, the EAC cable experienced its first cut in the early mornings of 9 August on a segment linking Taiwan and Hong Kong and a second cut on another segment linking the two countries roughly 12 hours later. Pacnet also gave no explanation for the EAC cuts. Pacnet was not immediately available for comment.

In addition to the Singapore report, Smart Communications in the Philippines also acknowledged some impact to its international voice and SMS services.

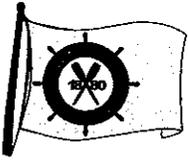
As of 7:30pm on Wednesday, Asian nodes monitored by the Internet Traffic Report website, which tracks the performance of Internet traffic, registered lower than average performance scores and extended response times. With the exception of Japan and Taiwan, all other nodes in Asia monitored by the site registered performance index scores of lower than 80, resulting in an average performance index score for the region of 70 out of 100 - compared to 86 out of 100 globally. Singapore (54 out of 100) and Qatar (33 out of 100) registered the lowest scores.

Response time for much of the Asian nodes were well above 200 milliseconds, with Qatar's itr-test.isp.qa registering a response time of 615 milliseconds, compared to the fastest node in Japan, which had an average response time of 127 milliseconds.

Tony Chan

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BY EXPRESS MAIL

August 14, 2009

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

RE: *CUSTOMS BULLETIN AND DECISIONS, VOL. 43, NO. 28, PP. 54-118, JULY 17, 2009;*
THE PROPOSED MODIFICATION AND REVOCATION OF RULING LETTERS
RELATIVE TO CUSTOMS' POSITION ON THE APPLICATION OF THE "JONES ACT"
TO THE TRANSPORTATION OF CERTAIN MERCHANDISE AND EQUIPMENT
BETWEEN COASTWISE POINTS.

Dear Sir:

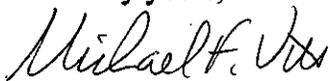
E.N. Bisso & Son, Inc. ("E.N. Bisso") appreciates the opportunity to comment on the matter referenced above regarding the United States Customs and Border Protection's ("CBP") decision to modify and/or revoke certain Headquarters Letter Rulings regarding the application of the coastwise laws as they pertain to the transportation of certain merchandise and vessel equipment between coastwise points.

E.N. Bisso is a New Orleans based tugboat company, with 15 vessels and about 140 employees. The company's primary business is assisting ocean-going vessels safely in and out of berths and anchorages, and escorting those vessels for safety and security purposes. A secondary but extremely important segment of our business is the offshore towing of seagoing barges loaded with special project cargo, sometimes to foreign destinations, and to offer tug support for offshore oil exploration and exploitation in the Gulf of Mexico. The opportunity for the last listed type of operations on the Outer Continental Shelf has been lessened by the increased use of foreign-flagged vessels to carry merchandise and/or vessel equipment on coastwise voyages as is permitted by the identified HQ Letter Rulings in the *Customs Bulletin*.

E.N. Bisso supports the CPB's decision to interpret 46 U.S.C. § 55102 (or the Jones Act) in accord with Treasury Decision 49815 (Mar. 13, 1939) and Treasury Decision 78-387 (Oct. 7, 1976) in a manner that provides increased commercial opportunities for American-built, American-owned and American-manned vessels that can efficiently operate on the Outer Continental Shelf ("OCS"). E.N. Bisso believes that CPB is correct in its "recogni[tion] that allowing foreign-flagged vessels to transport merchandise from one U.S. point and install that merchandise at another point on the OCS on the condition that it merely be accomplished 'on or from that vessel' would be contrary to the legislative intent of 46 U.S.C. § 55102."

E.N. Bisso furthermore adopts and incorporates by reference the comments made by the Offshore Marine Services Association ("OMSA"). Moreover, E.N. Bisso appreciates this meaningful opportunity to comment on such a significant topic. Best wishes.

Sincerely yours,

A handwritten signature in cursive script that reads "Michael F. Vitt".

Michael F. Vitt
General Counsel

MARITIME CABOTAGE



BEFORE THE UNITED STATES CUSTOMS AND BORDER PROTECTION WASHINGTON, D.C.

Board of Directors

Thomas Allegretti
The American Waterways Operators

Date: August 14, 2009

James Henry
Transportation Institute

43 Cust. B. & Dec. No. 28, p. 54 (July 17, 2009)

Barry Holliday
Dredging Contractors of America

Customs 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

Robert Magee
American Shipping Group

Kevin O'Rourke
Matson Navigation Company

Brenda Otterson
American Maritime Officers Service

Frank Pecquex
Maritime Trades Department
AFL-CIO

Chuck Raymond
Bob Zuckerman
Horizon Lines

COMMENTS OF THE MARITIME CABOTAGE TASK FORCE

Michael Roberts
Crowley Maritime Corporation

Matthew Paxton
Shipbuilders Council of America

Eric Smith
Overseas Shipholding Group

Jim Weakley
Lake Carriers' Association

Maritime Cabotage Task Force
1601 K Street, NW
Washington, D.C. 20006
(202) 662-8440
(202) 331-1024 (fax)

INTRODUCTION

The Maritime Cabotage Task Force (“MCTF”) is pleased to offer comments on the U.S. Customs and Border Protection (“CBP”) July 17, 2009 notice described above. The MCTF strongly supports CBP’s proposal, which will help ensure that our coastwise laws are properly applied with respect to the transportation of certain merchandise between U.S. points.

The MCTF is the most broad-based coalition representing the U.S. maritime industry. Comprised of more than 400 American companies, associations, shipyards, labor organizations, defense groups, and others interested in maintaining America’s strong domestic maritime industry, the MCTF is a leading advocate for the preservation of U.S. maritime cabotage laws. Proper application of U.S. coastwise laws is critical, as such laws are vital to the nation’s economic, national, and homeland security. In fact, for generations every Administration – including President Obama’s – has supported America’s coastwise laws because of the important benefits they provide to our economy, military, commerce, environment and national security.

As the agency is well aware, U.S. coastwise laws help support and maintain sectors of our domestic economy that are vital to U.S. national security interests, such as ship building, ship repair, seafaring, and related sectors. These sectors of our economy also support thousands of U.S. jobs in communities throughout the country. CBP’s proposed action would not only interpret and apply the coastwise laws as Congress intended, as described below, but it would also help to ensure that these crucial sectors of the U.S. maritime industry are able to operate without being unfairly disadvantaged through the use of foreign-built, foreign-crewed, and foreign-flagged vessels that are not required to abide by many U.S. laws, including tax, labor, and environmental laws.

1. Treatment of Ruling Letters

As a threshold matter, MCTF supports CBP’s use of the process set forth at 19 U.S.C. § 1625(c) to deal with ruling letters that are inconsistent with the coastwise laws and earlier CBP rulings that properly applied those laws. In § 1625(c), Congress provided CBP with a fair but efficient process to review its ruling letters when necessary to insure consistency in the application of the law. As CBP has noted, reliance on the agency’s ruling letters is a “qualified right” and the delayed effective date and notice and comment procedures provided by § 1625(c) “reflect the full extent to which Congress believes these principles [of fairness, equity, reliance and estoppel] should apply to Customs rulings.” 67 Fed. Reg. 53483, 53486 (Aug. 16, 2002). Courts have upheld use of the § 1625(c) process even where it adversely affects a party who relied on CBP’s initial ruling letter to its detriment. *See Heartland By-Products, Inc. v. U.S.*, 264 F.3d 1126, 1136 (Fed. Cir. 2001) (upholding CBP’s revocation of a ruling letter through the § 1625(c) process where the effect was to cause the interested party to pay higher duties), *cert. denied*, 537 U.S. 812 (2002). Indeed, it is CBP’s statutory mandate to enforce the coastwise laws, and the potential economic consequences of its enforcement actions are not part of the § 1625(c) process. If anything, lack of proper enforcement of the coastwise laws can have significant negative economic impacts to the U.S.-flag coastwise qualified fleet.

2. Transportation of Merchandise under the Coastwise Laws

Under the coastwise laws, only a vessel that is built in the U.S., owned by U.S. citizens, documented under U.S. registry, and crewed by U.S. seafarers may “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.” 46 U.S.C. § 55102. The U.S. has reserved the domestic trades for U.S. vessels since the Navigation Act of 1817,¹ and has had other laws in place to promote a U.S.-flag fleet since 1789.² These laws are a cornerstone of our maritime heritage and policy and have fostered the historical importance of our maritime industries. Many other nations, including U.S. trading partners, have similar laws.

Congress has broadly defined the term “merchandise” for purposes of the coastwise laws. Merchandise includes “goods, wares, and chattels of every description,” 19 U.S.C. § 1401(c), and includes government-owned cargoes, valueless materials, dredge spoils and hazardous wastes, among other types of cargoes. *See* 46 U.S.C. §§ 55102, 55105, 55110. In accordance with the express intent of Congress that the coastwise laws broadly apply, CBP has taken an expansive view of what constitutes merchandise under the coastwise laws that must be transported on U.S. coastwise qualified vessels.

In its proposed action regarding certain ruling letters, CBP reinforces that view. The proposal focuses largely on correcting the incremental misapplication of a key 1976 decision in which CBP evaluated a range of activities undertaken by a pipeline repair vessel on the outer continental shelf (“OCS”).³ T.D. 78-387 (Oct. 7, 1976) (referred to herein as the “1976 decision”). An essential premise of the decision was that the basic vessel operation at issue, i.e., pipelaying, was not a coastwise activity because it did not involve the landing of the pipe at a coastwise point, but rather only the “paying out” of the pipe as it was laid along a continuous path. From that starting point, Customs reasoned that a vessel that repaired the pipeline was no different than one that laid the pipeline and hence it too was not engaged in a coastwise activity, provided certain factors were present. Specifically, CBP determined that equipment or supplies carried or used by the pipelaying vessel or the pipeline repair vessel, incidental to the pipelaying or similar activity do not constitute merchandise where: a) their use is unforeseen; b) they are of *de minimis* value; c) they are usually carried aboard the vessel as supplies; and d) their installation is performed on or from the vessel. *See id.*

Over the years, however, these factors underlying the 1976 decision have been cited out of context, eroding the fundamental analysis with the result that non-coastwise qualified vessels were allowed to engage in a host of activities that are properly reserved for U.S. coastwise qualified vessels.

¹ 3 Stat. 351 (Mar. 1, 1817).

² *See* Act of Sept. 1, 1789, ch. xi, §1, 1 Stat. 55.

³ The coastwise laws apply to the territorial sea and internal waters, and also to certain points beyond the territorial sea under the Outer Continental Shelf Lands Act, 43 U.S.C. § 1331 *et seq.*, and other laws.

For example, in HQ 115185 (Nov. 20, 2000), CBP determined that a non-coastwise qualified vessel could transport pipeline connectors from a coastwise point to the installation site without violating the coastwise laws as long as the installation work was done from the vessel. This ruling, like others, failed to take account of all of the specific factors enumerated in the 1976 decision, namely that the materials must be incidental to pipelaying operations, usually carried aboard the vessel as supplies, of *de minimis* value, and that their use be unforeseen. In fact, the pipeline connectors at issue in HQ 115185 were specifically loaded aboard the vessel for the purpose of installing them after the pipelaying work was completed (i.e., not incidental to pipelaying or pipeline repair operations from the same vessel), their use was thus foreseen, they were not usually carried aboard the vessel as supplies, and they were not likely of *de minimis* value. Accordingly, the pipeline connectors would not have met the key factors enumerated in the 1976 decision necessary to take them out of the purview of the coastwise laws, and therefore should have been transported aboard a U.S. coastwise qualified vessel. Allowing a non-coastwise qualified vessel to lade merchandise at a coastwise point and to transport that merchandise to another coastwise point, where not incidental to pipelaying operations, is a clear violation of the coastwise laws.

In its proposed action, CBP has proposed to correct or eliminate several rulings that similarly failed to take due account of all the factors set forth in the 1976 decision and permitted transportation of merchandise onboard non-coastwise qualified vessels. Permitting non-coastwise qualified vessels to engage in such transportation violates the coastwise laws. MCTF therefore concurs with CBP's proposed treatment of such ruling letters that erroneously permitted merchandise to be transported between coastwise points aboard non-coastwise qualified vessels.

3. Vessel Equipment

CBP has recognized that certain limited categories of materials and supplies carried aboard a vessel constitute "vessel equipment" and not merchandise subject to the coastwise laws. In T.D. 49815(4) (Feb. 16, 1939), CBP determined that vessel equipment constitutes only those articles "necessary and appropriate for the navigation, operation or maintenance of the vessel and for the comfort and safety of persons onboard" citing as examples of such vessel equipment "rope, sail, table linens, bedding, china, table silverware, cutlery, bolts and nuts."

In discussing vessel equipment in the 1976 decision, however, CBP referred to such equipment as "materials and tools as are necessary for the accomplishment of the mission of the vessel" which are transported "incidental to the vessel's operations." As noted above, the 1976 decision involved a pipelaying vessel and CBP recognized that certain materials can be transported on a non-coastwise qualified vessel if incidental to pipelaying operations. CBP's characterization of vessel equipment in the 1976 decision as materials and tools "necessary for the accomplishment of the mission of the vessel" is therefore only relevant in the context of pipelaying operations or other non-coastwise operations. The 1976 ruling was explicit that were the operation to shift to a coastwise mission, i.e., not pipelaying or pipeline repair, but rather the transportation of pieces of pipe from a coastwise point to the offshore production platform, for subsequent installation by another vessel, then those pieces would be considered merchandise and the transporting vessel would have to be coastwise qualified.

In subsequent rulings, however, CBP applied the "mission of the vessel" language outside the context of non-coastwise pipelaying operations, thereby effectively adopting a new definition of the term "vessel equipment" completely divorced from that previously applied. *See, e.g.*, HQ 110402 (Aug. 18, 1989) (vessel equipment is that "in furtherance of the primary mission of the vessel"). The effect was to create a rule under which the scope of "vessel equipment" turned entirely upon the stated mission of the vessel, such that the coastwise laws could be avoided simply by describing the function of a vessel to include use of the merchandise it carried. *See, e.g.*, H.Q. 115938 (Apr. 1, 2003) (finding that non-coastwise qualified liftboats could transport compressors, generators, pumps, and pre-fabricated structural components from a U.S. port to a coastwise point on the OCS without violating the coastwise laws since such equipment was "fundamental to the mission of the vessel" to support oil and gas well drilling, construction and repair). A close reading of the 1976 decision and T.D. 49815(4) makes clear that CBP never intended the definition of vessel equipment to depend solely on the mission of the vessel or to change dramatically from one vessel to the next.

The MCTF supports CBP's proposal to reinforce the standard expressed in T.D. 49815(4) to determine what constitutes vessel equipment under the coastwise laws. As CBP proposes, vessel equipment should be limited to articles necessary and appropriate for the navigation, operation, and maintenance of, or comfort and safety of persons onboard, the vessel itself, and not what might be necessary and appropriate for an activity in which the vessel is engaged. Permitting non-coastwise qualified vessels to carry equipment, supplies, or other articles that are not needed to navigate, operate, or maintain the vessel undermines the coastwise laws because it permits transportation that should be reserved for U.S. coastwise qualified vessels.

CONCLUSION

The MCTF appreciates this opportunity to comment and commends CBP for reevaluating its prior rulings, reconciling inconsistencies, and treating them in a manner that is consistent with the intent behind our nation's coastwise laws. Proper application of U.S. coastwise laws is important to the U.S. maritime industry and the MCTF urges the agency to move forward with the implementation of its proposed ruling modifications. If you have questions, please contact our counsel, William N. Myhre, Esq. at (202) 661-6222.

Respectfully submitted,

Thomas Allegretti
The American Waterways Operators

Michael Roberts
Crowley Maritime Corp.

Brenda Otterson
American Maritime Officers Service

Barry Holliday
Dredging Contractors of America

Robert Magee
American Shipping Group

Chuck Raymond
Robert Zuckerman
Horizon Lines

Jim Weakley
Lake Carriers' Association

Frank Pecquex
Maritime Trades Department, AFL-CIO

Kevin O'Rourke
Matson Navigation Company

Eric Smith
Overseas Shipholding Group

Matt Paxton
Shipbuilders Council of America

James Henry
Transportation Institute

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RORY L. MILLER
Vice President, Gulf Coast
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rory.miller@williams.com

MIDSTREAM
One Williams Center, WRC-3
P.O. Box 645
Tulsa, OK 74101-0645

August 17, 2009

BY HAND AND EXPRESS MAIL

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, NW
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:

On behalf of Williams Field Services – Gulf Coast Company, L.P. (“Williams”), I write to express my full support for the comments submitted by the American Petroleum Institute (“API”) on proposed modifications and revocations that would reverse more than 30 years of precedent interpreting the Jones Act. Specifically, and as explained below, Williams respectfully recommends that the United States Customs and Border Protection: (i) extend the deadline to permit the submission of supplemental comments and (ii) convene a technical conference to permit an informed and reasoned assessment of the consequences of the proposals.

By “Notice” issued July 17, 2009 (the “July 17 Notice”), the United States Customs and Border Protection solicited comment on proposed modifications to and revocation of “Ruling Letters” interpreting the Jones Act. The Jones Act, among other things, prohibits the movement of merchandise in the waters of the United States by foreign-built and foreign-flagged ships. The United States Customs and Border Protection also directed that comments, if any, on the proposed modifications and revocations be submitted within 30 days of the July 17 Notice or on or before August 16, 2009.

Headquartered in Tulsa, Oklahoma, Williams’ parent, The Williams Companies, Inc. is a publicly-traded company (NYSE: WMB) that, through its subsidiaries, engages in natural gas exploration, production, gathering and processing and transportation, as well as the marketing and trading of natural gas and natural gas liquids. The Williams gathering and processing business unit has significant deepwater and subsea operations in the Gulf of Mexico requiring the use of sophisticated and expensive vessels able and available to conduct highly specialized operations,

Ms. Sandra L. Bell
August 17, 2009
Page 2 of 3

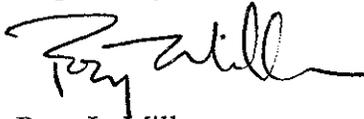
including subsea installation and construction support, pipe/umbilical laying and maintenance of seafloor equipment. The modifications and revocations of Ruling Letters interpreting the Jones Act, accordingly, will have a significant – and inimical – impact on the ability of Williams to conduct safe, technologically efficient and cost effective deepwater and subsea operations.

Williams is a member of API and, as noted above, supports fully the comments submitted by API on the proposed Jones Act modifications and revocations. While Williams will not repeat here the statements of fact and conclusions of law contained in the API Comments, two recommendations put forward by API should be amplified. First, Williams respectfully recommends that the United States Customs and Border Protection extend the deadline for the submission of comments on the modification and revocation proposals. As proposed, in 30 days the modifications and revocations would overturn 30 years of precedent interpreting the Jones Act and, more important, visit significant and costly consequences on companies conducting deepwater and subsea operations and consumers of natural gas, natural gas liquids and petroleum. Williams respectfully submits that, given the reliance by all entities conducting deepwater and subsea operations in the waters of the United States on the long-standing precedent interpreting the Jones Act, a 30 day comment period to determine whether the precedent should be reversed is both inadequate and unfair. I have also been advised by counsel that absolute enforcement of a 30 day comment period for a proposal with such far-reaching consequences may not comply with the “reasoned decision-making” required of all agency action. Williams, accordingly, respectfully requests that the United States Customs and Border Protection extend the deadline by 90 days to permit the submission of supplemental comments.

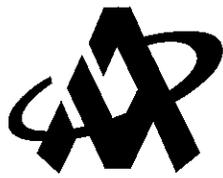
Second, Williams respectfully requests that United States Customs and Border Protection augment the extended comment period by convening a technical conference on the modification and revocation proposals. At such a conference, company officials and industry consultants would appear before United States Customs and Border Protection to present expert views and informed analyses on the impact on the proposals to reverse the Ruling Letters and the consequences of such a reversal on the market for natural gas, natural gas liquids and petroleum. A technical conference coupled with an extended deadline for the submission of supplemental comments, in sum, ensures that any final decision on the modification and revocation of Ruling Letters interpreting the Jones Act will be the product of informed and reasoned agency action.

I thank you for the opportunity to offer the above comments and endorsement of the comments submitted by API. If you have any questions or need additional information, please do not hesitate to contact me at your earliest convenience.

Respectfully submitted,



Rory L. Miller
Vice President, Gulf Coast
Williams Field Services – Gulf Coast Company, L.P.



MANUFACTURE Alabama!

Making the best in Alabama!

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#2

August 11, 2009

Mr. Glen Vereb
Chief
Entry Procedures & Carriers Branch
U.S. Customs and Border Protection
1300 Pennsylvania Ave. N.W.
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 Mr. Vereb:

I am writing to you on behalf of Alabama's oil and gas industry and Manufacture Alabama. Manufacture Alabama is Alabama's only trade association representing exclusively the competitive, legislative and related interests of manufacturers. Manufacture Alabama represents a wide array of industry sectors including steel mills, chemical manufacturers, textile mills, the pulp and paper industry, shipbuilding and the oil and gas industry.

The oil and gas industry in the United States is vital to decreasing our dependence on foreign oil and vital to our economy. In particular, in the Gulf of Mexico, oil and gas exploration has brought in billions of dollars to Alabama and has contributed more than 200 million cubic feet of natural gas annually. Alabama's total consumption of natural gas alone is approximately 400 million cubic feet a year, three quarters of that for industrial use and electricity generation. That is why the proposed modification and revocation of ruling letters on the application of the Jones Act is of particular concern to the manufacturing industry.

If the U.S. Customs and Border Protection modifies and revokes ruling letters, that date back decades, pertaining to the application of the Jones Act and the transportation of merchandise and equipment between coastwise points, a disruption in the production and exploration of oil and gas in U.S. waters will occur. For instance, the oil and gas service industry use foreign-flagged vessels to deliver equipment, such as wellheads, risers, jumper pipes and tie-ins, to oil and gas offshore installation sites. Currently, there is an

absence of U.S.-flagged Offshore Service vessels capable of installing this equipment to deepwater offshore installation sites. A number of proposed Modified Rulings changes the treatment of the above mentioned equipment to be treated as merchandise; in effect mandating the use of U.S.-flagged vessels. Due to the lack of U.S.-flagged Offshore Service vessels capable of installing equipment to deepwater offshore installation sites, the change in the rulings will force the service companies to cease operations altogether or find non-U.S. ports to base operations, which in effect will shut down oil and gas production and exploration for an extended period of time. In addition, U.S. Ports will lose the ability to host foreign-flagged Offshore Service fleets. This would have a negative effect on our nation's economy and our efforts to quickly develop and expand our domestic offshore energy resources.

The proposed modification and revocation of ruling letters pertaining to the Jones Act essentially overturns decades of precedent and promulgates new law. The duty of the Customs and Border Protection is not to make the law, but to interpret the law. Such changes would be better effected through the legislative process where the proposed changes would be fully transparent and in which the public interest is fully examined. The legislative process will allow Congress to explore the size and capabilities of the existing U.S.-flagged Offshore Service fleet and, if the law is to be changed, allow provisions for minimal disruption to the production and exploration of oil and gas before any new laws become effective.

In closing, I hope that you will reconsider the aforementioned modifications to avoid disruption in domestic offshore production and exploration and allow Congress the opportunity to review these changes and if necessary make new law.

Sincerely,



George N. Clark
President
Manufacture Alabama

SEACRAFT

SHIPYARD CORPORATION

Repair · Conversion · Construction

P. O. Box 1550 · 3820 Lake Palourde Road

Amelia, Louisiana 70340

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Website: www.seacraftshipyard.com

(116)

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 of 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.

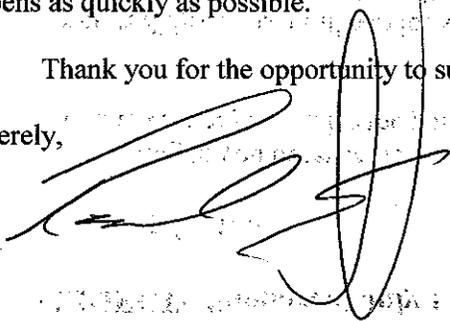
Seacraft Shipyard is a full service shipyard with decades of experience in repairing, re-powering, refurbishing, and converting all types of aluminum and steel vessels. Since 1955, we have been dedicated to quality workmanship, fast turnarounds, and complete customer satisfaction. With our extensive experience and expertise, our highly skilled craftsmen, and our travelift, drydocks, and modern facilities we can repair and undertake the conversion of all types of vessels. Our facility is conveniently located in Amelia, within close proximity to the Gulf of Mexico.

We have made substantial investments in our facilities over the last 50 years to ensure they are up to date and able to meet the latest demands called for by the offshore marine industry. Our workers continually strive for excellence while ensuring they deliver quality products 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. Since our business depends on a healthy offshore fleet, we would like to see it continue to grow with new opportunities. We encourage every possible effort to ensure this happens as quickly as possible.

Thank you for the opportunity to submit comments.

Sincerely,



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Corporate Headquarters
2 Harper Avenue
P.O. Box 7367
Portsmouth, VA 23707
Phone 757/ 215-2500
Fax 757/ 215-2504

August 14, 2009

Mr. Jayson P. Ahern
Acting Commissioner
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, 43 Cust. B. & Dec. 28 (July 17, 2009).

Dear Acting Commissioner Ahern:

Earl Industries, LLC is a diverse, fully-facilitized ship repair firm located in Portsmouth, Virginia with both a Government and commercial customer base. We would like to provide comments on the U.S. Customs and Border Protection ("CBP") July 17, 2009 notice proposing to modify and revoke CBP ruling letters regarding the application of our nation's coastwise laws to the carriage of vessel equipment and certain merchandise used in connection with offshore oil production. **Earl Industries** strongly supports CBP's proposed modifications, which will properly enforce our coastwise laws to ensure that U.S.-built, U.S.-owned and U.S.-crewed vessels are servicing our nation's critical offshore energy installations.

The Outer Continental Shelf Lands Act (OCSLA) extended the laws of the United States to all permanent and temporary installations and other devices which are erected for the purposes of exploring for, developing, or producing resources on the outer Continental Shelf. The notice by the CBP to properly enforce the coastwise laws to all points on the outer Continental Shelf is the correct interpretation of the law. It was the intent of Congress with the passage of the OCSLA that the Jones Act would apply to further promote and maintain a strong U.S. maritime industry that can build, repair and operate a fleet of U.S.-owned vessels.

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United Coatings Division
P.O. Box 7156
650 Chautauqua Avenue
Portsmouth, VA 23707
Phone 757/ 398-0785 Fax 757/ 397-4119

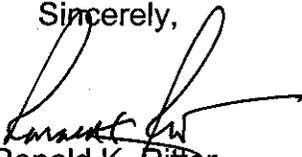
The CBP notice will also ensure significant American jobs are secured, but also the possibility of creating new employment in new shipbuilding and ship repair in U.S. shipyards around the nation to meet the demands of expanded oil and gas development in the U.S. Exclusive Economic Zone. The proper enforcement of the coastwise laws to all points on the outer Continental Shelf will help maintain the U.S. shipyard industrial base that builds and services the vessels moving merchandise and equipment offshore. In addition, applying the coastwise laws to installations and other points offshore will prevent the use of foreign-built and foreign-flagged vessels that pay no U.S. taxes and do not have to meet rigorous U.S. environmental and labor laws, from undercutting U.S.-owned and U.S.-crewed vessels.

Earl Industries' ship repair facilities are located strategically in Portsmouth, Virginia and Mayport/Jacksonville, Florida. Our 850 skilled employees have earned a superior reputation, both with the Government and commercial firms, for providing efficient and effective ship repair, engineering, and maintenance services. The actions proposed by CBP will assist in broadening the company's business base and contribute to the firm's growth.

It is imperative that CBP fully take into consideration when evaluating comments on this notice, that the U.S. shipyard industrial base has the capacity and capability to construct, rebuild and maintain the vessels needed to explore and develop our energy resources offshore. This is particularly important in regards to new oil and gas development that requires the installation of structures and devices farther offshore in much deeper water; the requirement for even larger more capable vessels will be needed and U.S. shipyards can meet this demand and are eager to do so.

We appreciate the opportunity to comment on this notice. **Earl Industries** supports CBP's decision to reevaluate prior rulings and revising them in a manner that is consistent with the intent behind our nation's coastwise laws. Proper application of U.S. coastwise laws is important to the U.S. maritime industry and **Earl Industries** urges the agency to move forward with the implementation of its proposed ruling modifications.

Sincerely,


Ronald K. Ritter
Senior Vice President
Earl Industries, LLC

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August 14, 2009

**NATIONAL
OCEAN
INDUSTRIES
ASSOCIATION**

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

1120 G Street, NW
Suite 900

Washington, DC 20005

Tel 202-347-6900

Fax 202-347-8650

www.noia.org

To Whom It May Concern:

The National Ocean Industries Association (NOIA) respectfully submits the following comments on the proposed modification and revocation of ruling letters relating to the U.S. Customs and Border Protection position on the application of the Jones Act to the transportation of certain merchandise and equipment between coastwise points.

NOIA is the only national trade association that represents all companies engaged in the exploration for, and production of, traditional and alternative energy on the nation's Outer Continental Shelf. The NOIA membership comprises more than 300 companies engaged in activities ranging from producing to drilling, engineering to marine and air transport, offshore construction to equipment manufacture and supply, shipyards to communications, and geophysical surveying to diving operations. As such, our membership represents a wide range of viewpoints on this matter.

The complexities surrounding the proposed modification and revocation of previous ruling letters, including the legal foundation for its issuance and the seeming uncertainty with regard to its consequences and impact, leave us concerned that interested parties are being asked to comment with incomplete information to this point. Thus, NOIA requests a 60 day extension of the comment period so that all of our members may have additional opportunity to better comprehend the change's legal underpinnings, its ramifications to their particular companies, and comment accordingly.

We thank you for considering our views.

Sincerely,



Tom Fry
President



1301 Dealers Ave., New Orleans, Louisiana 70123

Telephone: 504.733.6907 – Fax: 504.733.9493

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Attn: Trade and Commercial Regulations Branch

United States Customs and Border Protection
Office of International Trade, Regulations and Rulings
799 9th Street N.W.
Mint Annex
Washington, D.C. 20229

Dear Sir or Madam,

Please accept these comments on behalf of Moxie Media in support of the U.S. Customs and Border Protection's *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* as originally published on July 17, 2009 in your *Bulletin and Decisions* notice. I believe that clearly applying coastwise laws (including the "Jones Act") to vessels transporting supplies to our offshore oil and gas installations is long overdue and would be greatly appreciated by the offshore supply industry, as well as related industries.

Our company was founded in 1985 in New Orleans. We provide design and production services in a broad range of media: film, video, interactive multimedia, Internet, and print. Our full service production company provides script to screen video and software production services for business, educational, and entertainment purposes. This includes productions for marketing, training, or safety programs.

As a company with business clients directly impacted by the pending interpretive ruling, we wish to express our support for the proposal because it would ultimately promote and expand well-paying American jobs in support of the offshore oil supply industry. Consequently, growing business opportunities for these companies will provide a further economic stimulus for our media company, and other companies that directly support this industry.

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

Very truly yours,

Robert Stout

Moxie Media, Inc.

SEACRAFT

SHIPYARD CORPORATION

Repair · Conversion · Construction

P. O. Box 1550 · 3820 Lake Palourde Road

Amelia, Louisiana 70340

Phone (985) 631-2628 · Fax (985) 631-3513

Email: seacraft@seacraftshipyard.com

Website: www.seacraftshipyard.com

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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 of 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.

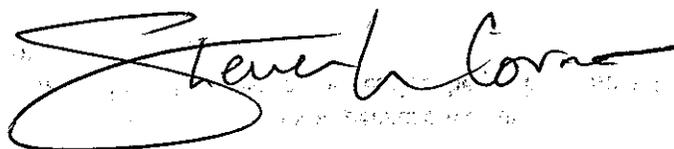
Seacraft Shipyard is a full service shipyard with decades of experience in repairing, re-powering, refurbishing, and converting all types of aluminum and steel vessels. Since 1955, we have been dedicated to quality workmanship, fast turnarounds, and complete customer satisfaction. With our extensive experience and expertise, our highly skilled craftsmen, and our travelift, drydocks, and modern facilities we can repair and undertake the conversion of all types of vessels. Our facility is conveniently located in Amelia, within close proximity to the Gulf of Mexico.

We have made substantial investments in our facilities over the last 50 years to ensure they are up to date and able to meet the latest demands called for by the offshore marine industry. Our workers continually strive for excellence while ensuring they deliver quality products 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. Since our business depends on a healthy offshore fleet, we would like to see it continue to grow with new opportunities. We encourage every possible effort to ensure this happens as quickly as possible.

Thank you for the opportunity to submit comments.

Sincerely,



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CONRAD
Industries, Inc.

August 11, 2009

ATTN: 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, D.C. 20229

RE: JULY 17, 2009 "JONES ACT" MODIFICATION NOTICE

To Whom It May Concern:

I am writing to you on behalf of Conrad Industries, Inc., a company that was founded in 1948 and now operates four shipyards in the Gulf Region, to encourage your finalization of the above-referenced notice.

Our four shipyards in South Louisiana and Texas have direct access to the Gulf of Mexico. Conrad Industries specializes in the construction, conversion, and repair of a wide variety of marine vessels for commercial and governmental customers, as well as the fabrication of modular components of offshore drilling rigs and floating, production, storage, and offloading vessels. Construction vessel projects include large and small deck cargo barges, single and double hull tank barges, lift boats, push boats, towboats, offshore tugboats, and offshore supply vessels. With over 12 construction and repair buildings totaling over 230,000 sq./ft. and 6 ABS classed dry-docks, Conrad is able to provide 24/7 service to its shallow and deepwater customers.

Because of our historic and ongoing investments in the maritime industry, we support and encourage efforts by the Federal government to ensure that cargo transported to offshore oil and gas facilities be carried by vessels built in America by Americans. Our significant investments in our four shipyards provide the domestic maritime industry a variety of options --

- We have owned and operated our 11-acre Morgan City, Louisiana shipyard since 1948. The yard is located on the Atchafalaya River approximately 30 miles from the Gulf of Mexico. It has 14 buildings containing approximately 125,000 square feet of enclosed building area and 10 overhead cranes. It also has one drydock, one submersible launch barge, 1,700 linear feet of steel bulkhead, five rolling cranes and two slips.

ATTN: Trade and Commercial Regulations Branch

Office of International Trade, Regulations and Rulings

August 11, 2009

Page 2

- Conrad Aluminum is located in Amelia, Louisiana, approximately 30 miles from the Gulf of Mexico on 16 acres of land. We purchased the yard in 1996 and commenced marine steel repair and conversion operations there during February 1998. In 2003, we converted the yard into an aluminum marine fabrication and repair facility capable of serving both commercial and government customers, and commenced our aluminum operations at the facility in the fourth quarter of 2003.
- We acquired our 12-acre Orange, Texas shipyard in 1997. It is located on the Sabine River approximately 37 miles from the Gulf of Mexico. The shipyard has six construction bays under approximately 110,000 square feet of enclosed building area with 14 overhead cranes. The site also has 150 feet of steel bulkhead and one slip.
- Conrad Deepwater is located in Amelia, Louisiana, approximately 30 miles from the Gulf of Mexico and within one mile of Conrad Aluminum. The facility is located on a 52-acre, previously undeveloped site that we purchased in 2000. We commenced steel repair and conversion operations at the facility in February 2003.

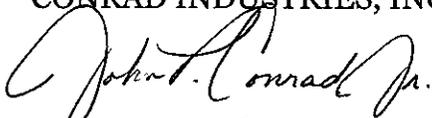
We employ 700 workers at our shipyards and take great pride in the comprehensive marine services we offer. After having recently celebrated 60 years in business, we look forward to new opportunities to meet the domestic maritime industry's needs.

You can help us accomplish this goal with the immediate adoption of the Jones Act modification notice recently issued by the agency. By providing clear rules of the road to the domestic oil and gas industry and to the domestic maritime industry, you will encourage companies such as Conrad Industries to make further investments here to support an expanded U.S. flag fleet. We encourage USCBP to act now to ensure that U.S.-flagged vessels carry merchandise to offshore facilities – in support of American businesses, American jobs, and the American economy.

We appreciate the chance to submit these comments.

Thank you,

CONRAD INDUSTRIES, INC.



John P. Conrad, Jr.

President & CEO

JPC/lbw

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August 11, 2009

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

To whom it may concern,

In a national climate that witnesses the exporting of so many businesses and industries out of the United States, I support the decision of Customs and Border Protection to uphold the original intent of the Merchant Marine Act of 1920, better known as the Jones Act.

U.S. mariners and vessel operators have proven for decades the ability to fulfill the ever-changing needs of the country's maritime industry. The Jones Act ensures the United States will always have a safe, reliable, and economically efficient domestic transportation system. This cornerstone statute provides America the vital waterborne commerce it needs and deserves. It also protects the jobs of a highly trained workforce that supports all facets of the industry.

For too many years, our legal system has allowed individuals to interpret and bend the laws in favor of one's own benefit. Identifying what is considered "coastwise trade" and then requiring foreign entities to follow those laws has established a precedent. This action will protect the livelihood of thousands of American workers. It will ensure our nation's deeply rooted history in the global maritime trade continues to lead the way for other countries. For the sake of my companies and the thousands of dedicated workers they employ, I applaud this effort wholeheartedly.

Joe G. Roach
C.E.O.
Signal Administration, Inc.



POWER SPECIALTIES, INC.

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325 CHENNAULT STREET • MORGAN CITY, LA 70380

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August 12, 2009

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

To whom it may concern,

In a national climate that witnesses the exporting of so many businesses and industries out of the United States, I support the decision of Customs and Border Protection to uphold the original intent of the Merchant Marine Act of 1920, better known as the Jones Act. Edison Chouest Offshore has operated successfully in the U.S. coastwise trade since 1960.

U.S. mariners and vessel operators have proven for decades the ability to fulfill the ever-changing needs of the country's maritime industry. The Jones Act ensures the United States will always have a safe, reliable, and economically efficient domestic transportation system. This cornerstone statute provides America the vital waterborne commerce it needs and deserves. It also protects the jobs of a highly trained workforce that supports all facets of the industry.

For too many years, our legal system has allowed individuals to interpret and bend the laws in favor of one's own benefit. Identifying what is considered "coastwise trade" and then requiring foreign entities to follow those laws has established a precedent. This action will protect the livelihood of thousands of American workers. It will ensure our nation's deeply rooted history in the global maritime trade continues to lead the way for other countries. For the sake of United States marine companies and the thousands of dedicated workers they employ, I applaud this effort wholeheartedly.

*Steve May
President*

8/12/2009



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SEACOR Marine LLC • 7910 Main Street, 2nd Floor • Houma, LA 70360 • (985) 876-5400
www.seacormarine.com

30-July-2009

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

SUBJECT: SUPPORT FOR PROPOSED JONES ACT DETERMINATION

Dear Sir or Madam:

I am writing on behalf of SEACOR Marine LLC, a company that, on its own or through its affiliates, has invested over \$1 billion in new offshore vessel construction and next-generation offshore technology since the mid-1990s. We support the July 17, 2009 proposed determination regarding the application of the U.S. coastwise laws to the carriage of merchandise and other cargo to domestic offshore oil and gas facilities.

SEACOR Marine has a significant stake in ensuring the long-term success of the industry. Our worldwide fleet of vessels now numbers approximately 200, including Anchor Handling Towing Supply Vessels, Platform Supply Vessels, Mini Supply Vessels, Crew/Fast Support Vessels, Stand-By Safety Vessels, and Towing Supply Vessels. We currently provide a comprehensive range of offshore support services with the highest standards in safety, service, and technology available to the industry today and which includes crew transportation, platform supply, offshore accommodation, maintenance support, standby safety services, and anchor handling and mooring capabilities in both shallow and deepwater environments around the globe. Indeed, SEACOR Marine's personnel and equipment have broken records for the deepest water operations in various regions, including the U.S. Gulf of Mexico.

SEACOR Marine welcomes the opportunity to expand service to the Gulf's oil and gas industry with proven U.S.-built vessels manned by U.S.-trained workers. We are substantially invested in our fleet of vessels, the employees that service and operate them, and the energy industry that depends upon a strong domestic merchant marine. In our opinion, any other approach to your July 17th, 2009 proposed determination would not only cause losses to our investment, it would also threaten the livelihood of the U.S. offshore marine industry as a whole, which would undermine our nation's efforts in energy independence. We therefore agree with the pending Customs proposal that would ensure cargo transported to offshore oil and gas facilities be carried by U.S.-flagged vessels as a matter of sound domestic policy to preserve a strong U.S. merchant marine.

With the significant economic challenges facing the American economy today, it is now more important than ever to interpret the Jones Act in a manner that supports American jobs and furthers the economic revitalization in the Gulf Coast. We believe that consistent application of the law now and in the future will provide strong incentives for companies such as SEACOR Marine to invest in U.S. built vessels and create American jobs for the future. Adopting the proposed July 17 determination will give businesses confidence that they can make further investments with the level of certainty required in an industry with such significant up-front capital costs.

Thank you for the opportunity to share our comments on this important matter.

Sincerely,

Robert Clemons
Vice President & COO



8440 4th Street North, St. Petersburg, FL 33702 1-800-237-8663, Fax: 727-522-3155

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

Dear Sir or Madam,

Please accept these comments on behalf of **Sea School** in support of the U.S. Customs and Border Protection's 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 that was published on July 17, 2009. 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.

Sea School has a considerable stake in the long-term success of our oil and gas industry. We have been serving mariners since 1977, providing decades of experience dealing with Coast Guard licensing, regulations, and maritime education. We now offer over forty U.S. Coast Guard-approved courses throughout the country, with campuses in the Gulf Coast region, including St. Petersburg, FL, Bayou La Batre, AL, Ft. Lauderdale, FL, and Panama City, FL. Our USCG Certified Licensed Instructors have extensive knowledge and experience in commercial vessel operations and instruction and ensure that our students are well-equipped to service the industry.

We agree with your proposal that would ultimately promote and expand good-paying American jobs in support of the offshore oil and gas industry. This would ensure that merchandise carried to these facilities be handled by U.S. flagged vessels, manned by U.S. workers, in order to support the U.S. energy supply system. Dramatically increasing business opportunities for American maritime transport companies will provide a further economic stimulus for our school and other sub-sectors that directly supports the industry.

It is imperative that domestic laws be enforced in a manner that best benefits hard-working Americans in the Gulf Region.

We greatly appreciate the opportunity to share our comments with your agency and encourage your expedited action.

Very truly yours,

Bob Arnold