

#### **BLOG**



#### FEBRUARY 22, 2022

<u>Legislation</u> was introduced on February 15, 2022, in the U.S. Congress by Representatives Garret Graves (R-LA) and John Garamendi (D-CA) and on February 17, 2022, by Senator Bill Cassidy (R-LA) that would restrict the citizenship of personnel manning vessels, rigs, platforms, and structures operating on the U.S. outer continental shelf in both the offshore wind and oil and gas industries.

Current law in effect since 1978 permits foreign-registered vehicles (including vessels) and structures to employ nationals of any country when working on the U.S. OCS, provided they can show that the vehicle or structure is more than 50 percent foreign-owned or controlled. The U.S. Coast Guard issues such approvals upon application. Absent an exception, U.S. citizens or lawful permanent U.S. residents must be employed.

This exception has a reciprocity element since it is not available to citizens of countries that have a national manning offshore requirement. There is also an exception permitting non-U.S. citizens to be employed if it can be proven that there is an insufficient number of U.S. citizens or permanent residents qualified and available to do the work.

The proposed legislation would retain the 50 percent ownership/control exception but limit the nationals who can be employed when working on the U.S. OCS to U.S. citizens, permanent U.S. residents, or citizens of the nation of vehicle or structure registry. There is a further sub-limit applicable to permanent U.S. residents. In other words, a Panama-flag vessel could only employ U.S citizens, U.S. residents, or Panamanian citizens when working on the U.S. OCS. That would be a sharp departure from prior offshore manning requirements.

The proposed legislation would also require annual certification and include substantial potential penalties for non-compliance. The proposal also includes a 120-day transition period whereby prior Coast Guard approvals would continue to be valid. The proposed legislation leaves untouched the current exception available upon a showing that no U.S. citizens are qualified and available to do the work.

1 Min Read

#### Author

Charlie Papavizas

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Charlie Papavizas

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