

U.S. Government Denies American Petroleum Tanker Loan Guarantee Application



AUGUST 1, 2012

On August 1, 2012, the U.S. Maritime Administration denied the application of American Petroleum Tankers Parent LLC for a \$470 million loan guarantee relating to five tank vessels constructed at NASSCO in San Diego. On July 17, 2012, APT sued MARAD seeking a decision on its loan guarantee application, pending for almost two years, by August 31, 2012. In the interim, MARAD agreed to issue a decision by that date. The August 1 denial notes, among other things, that the issuance of vessel loan guarantees is “discretionary” and that the application sought to refinance existing indebtedness rather than to guarantee indebtedness to be issued for vessels to be constructed.

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