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BLOG

Coast Guard Issues First U.S. Build Ruling for Offshore Wind Support Vessels

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On October 22 the U.S. Coast Guard National Vessel Documentation Center posted on its website an October 20, 2021 ruling regarding the U.S. construction of crew transfer vessels or CTVs. This is the first guidance issued on the construction of many offshore support vessels expected to be needed to construct and maintain thousands of power generating wind turbines intended to be installed eventually off all U.S. coasts.

To provide services to an offshore wind farm in U.S. waters, a CTV must be considered "built in the United States" as required by U.S. coastwise laws (commonly referred to as the "Jones Act"). For a vessel to be considered U.S. built, it must meet two basic tests – "all major components of its hull and superstructure" must be U.S. "fabricated;" and the vessel must be "assembled entirely in the United States."

The Coast Guard has interpreted these tests to permit the use of an unlimited quantity of foreign steel incorporated in the hull or superstructure, but only so long as the materials incorporated are "standard steel stock as delivered from the mill." With respect to the construction of the fishing vessel *America's Finest*, for example, the Coast Guard determined that "cold-formed compound curvature plates" to be incorporated in the hull were "fabricated" outside the U.S. and had to be counted against a 1.5 percent of discounted lightship steel weight limit for such fabricated items.

A U.S. shipyard building CTVs requested in September confirmation that certain aluminum materials to be incorporated in the hulls would not be subject to that 1.5 percent limit. The Coast Guard applies the same tests to aluminum as it does to steel.

Specifically, the shipyard asked whether either extruded aluminum planks produced in standard sizes, or panels formed by the joining of such planks into panels by friction stir welding, should be counted against the 1.5 percent limit given that they were available in standard sizes from a foreign mill and were not purpose-manufactured for the U.S. vessel project.

The Coast Guard confirmed that the extruded aluminum planks could be incorporated into a CTV's hull in unlimited quantities and any vessel constructed in that fashion would qualify as "built in the United States." The Coast Guard declined to rule as to whether the panels were "fabricated" outside the U.S. by virtue of the friction stir welding, but instead determined that use of such panels violated the requirement that a vessel be "assembled entirely in the United States."

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