

## Coast Guard Permits Installation of Foreign-Built LNG Fuel Tanks in Jones Act Vessel



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U.S. law governing the U.S. coastwise trade (generally referred to as the “Jones Act”) restricts such trade to vessels “built in the United States,” which has a defined meaning in the law. Among other things, all major components of the hull and superstructure of the vessel must be built in the United States in order for a vessel assembled in the United States to qualify as “U.S.-built.” On November 29, 2012, the U.S. Coast Guard issued a ruling affirming that a liquefied natural gas (LNG) fuel tank constructed outside the United States could be installed in a vessel being assembled in the United States and that vessel would still attain Jones Act privileges. The key factor, according to the Coast Guard, was that the fuel tank was “independent” of, rather than “integral” to, the hull as it would be placed in the vessel on saddle foundations and was structurally separate from the hull.

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