

Coast Guard Receives Favorable Comments on Jones Act Vessel Rebuilding Petition



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U.S.-flag vessels eligible for the U.S. coastwise (Jones Act) trade cannot be “rebuilt” outside the United States without losing permanently their Jones Act eligibility. Existing Coast Guard regulations on what constitutes “rebuilt” date from 1996. Two prominent cases which commenced in 2006 and ended, with regard to the rebuild issues, in 2009 (involving the vessel *Mokihana* and two Seabulk tank vessels) brought attention to the adequacy of the existing standard. A broad based industry group petitioned the U.S. Coast Guard in December 2010 to modify the rebuild standard. The Coast Guard requested public comments, which were due May 26, 2011. All of those few comments (per the attached PDF) were favorable to the Coast Guard continuing with proposed modifications to the existing rebuild standard.

1 Min Read

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