

Coast Guard Clarifies Jones Act Foreign Content Build Requirements



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On September 24, 2013, the U.S. Coast Guard issued a determination as to the level of permitted foreign content in two container vessels to be built at the NASSCO shipyard in San Diego for TOTE Shipholdings, Inc. The Jones Act restricts U.S. domestic trade to U.S.-built vessels. To qualify as a U.S.-built vessel it must be assembled entirely in the United States and all major components of the hull and superstructure must be fabricated in the United States. In the TOTE determination, the Coast Guard confirmed that foreign source specialty steel plate, structural flats or slabs, structural steel shapes, and angle steel types are all permitted so long the imported steel is purchased in standard shapes and sizes as produced at the steel mill. The Coast Guard also confirmed that certain hull castings can be foreign source so long as they do not exceed 1.5% of the discounted steel weight of the vessels and that the container hatch covers for the vessels would be excluded from that calculation as they are considered “outfit” and not part of the vessel’s structure.

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