

U.S. Department of  
Homeland Security

United States  
Coast Guard



Director  
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16713/5/2  
July 25, 2017

Jonathan K. Waldron, Esq.  
Blank Rome LLP  
Watergate  
600 New Hampshire Avenue, NW  
Washington, DC 20037

Dear Mr. Waldron:

I refer to your letter of May 19, 2017 and its enclosures by which you requested confirmation pursuant to 46 C.F.R. § 67.97 that two Aloha Class CV3600 containerships (the "Vessels"), to be constructed at Philly Shipyard, Inc. for Matson Navigation Company, Inc. with certain foreign-built components, will be determined to have been built in the United States and that the incorporation of those foreign-built components will not adversely affect the coastwise eligibility of those Vessels. I also refer to your supplemental submission by e-mail dated July 6, 2017, which provided certain additional documentation in support of your steelweight estimate for the Vessels in response to an e-mail request dated June 16, 2017, from Mr. Cameron of this office.

As is our practice, we referred your letter and enclosures, as well as your supplemental submission, to the Coast Guard's Naval Architecture Division ("NAD") in order that we may take into account their review and analysis in arriving at our determination.

Also, as you are very familiar with the applicable regulatory standard from your previous U. S. build determination requests, several of which you cited in support of the use of certain of the same foreign built components to be used in this instance, I will dispense with a discussion of the regulatory standard of 46 C.F.R. § 67.97 and move directly to a discussion of those particular items and their impact on our determination overall.

Finally, for the purpose of the application of that regulatory standard and the discussion that follows below, we have accepted your assertion, as it is supported by your supplemental submission and consistent with the finding of NAD, that the steelweight of each of the Vessels will be 13,394 Mtons.

#### Incorporation of Certain Foreign Built Components

Your inventory of the foreign-built components of the hull which are to be added to each Vessel, and the associated tonnages assigned to each is as follows: (i) stern boss block (98.9 Mtons), (ii) void space assembly (11.1 Mtons), (iii) bulbous bow shell plates (28.9 Mtons), (iv) hawse pipes (11.0 Mtons\*), and (v) watertight closures (27.9 Mtons\*\*).

[\*Based upon NAD analysis and findings, hawse pipes are not considered to be part of the watertight envelope of the hull, nor its structure. Thus, they may be excluded from this calculation.]

[\*\*Also based upon NAD analysis and findings, this number might still include certain closures on upper decks and interior doors not subject to load line requirements. As such, it might slightly overestimate the steelweight of these foreign-fabricated components. However, it is accepted for these purposes as a conservative estimate.]

The total weight of the foreign components identified above, as presented, is 177.8 Mtons, or 1.3 % of each Vessel's steelweight. However, based upon the findings noted above (which would exclude the weight of the hawse pipes), the total weight of these foreign components is found to be 166.8 Mtons, or 1.25 % of each Vessel's steelweight.

The customary standard which is applied in determining whether, under the first criterion of 46 C.F.R. § 67.97, major components not fabricated in the United States have been or will be added to a vessel requires an assessment as to whether or not the combined weight of components of the hull or superstructure which are proposed to be fabricated overseas would exceed 1.5% of the vessel's steelweight. In this case, whether based upon your description or the NAD analysis and findings, that standard will not be exceeded.

#### Shipbuilding Angles

It is well-established by prior determinations that shipbuilding angles, also sometimes known as "inverted angles", "unequal angles" or "Asian angles", which are purchased from foreign steel manufacturers in standard lengths, widths and shapes and are not custom designed or fabricated for use in these Vessels, need not be included in the calculation of the steelweight of foreign-built or foreign-sourced material or components; provided, that these materials are imported as standard mill products and will not have been worked in any way (such as by marking, cutting, drilling, beveling, bending or otherwise preparing them for use in the Vessels) outside of the U.S.

As you have stated, the shipbuilding angles used in these Vessels will be delivered to Philly Shipyard from Korea for use in these Vessels in stock shapes and sizes and will not be designed (or worked outside of the United States) for use in these Vessels in particular.

#### Machinery Modules

It is also well-established by prior determinations as well as by judicial precedent, that foreign-assembled engine room equipment modules such as the free standing self-supporting modules your letter and enclosures have described which are mounted on a foundation that is subsequently welded or bolted to the deck or bulkhead of the vessels at the shipyard, are neither considered part of the hull or superstructure of the vessels nor does their foreign assembly contravene the regulatory requirement that for vessels to be deemed to have been built in the U.S. they must be "assembled entirely" in the U.S.

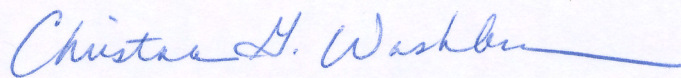
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In light of that established practice and the descriptions you have offered of the modules to be used in the case of these Vessels, we concur that the use of these modules will not adversely affect the status of these Vessels as built in the U.S.

Conclusion

In light of the foregoing, and based upon the information you have provided, I confirm that the matters discussed above will not adversely affect the status of the Vessels as having been built in the U.S. and that, accordingly, they will be eligible to be documented with Certificates of Documentation endorsed for coastwise trade upon the completion of construction.

Sincerely,

A handwritten signature in blue ink that reads "Christina G. Washburn". The signature is written in a cursive style and ends with a long horizontal flourish.

Christina G. Washburn  
Director