

U.S. Department of
Homeland Security

United States
Coast Guard



Director
National Vessel Documentation Center

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16713/8/2
July 28, 2017

Mr. Neeraj Thapar
Vessel Technical
Resolve Marine Group, Inc.
1510 SE 17th Street, Suite 400
Ft. Lauderdale, FL33316

Dear Mr. Thapar:

I am writing in response to your e-mail of July 10, 2017, with attached memorandum, by which you requested a preliminary determination pursuant to 46 C.F.R. § 67.177 to confirm that certain repairs and crane installation proposed to be performed on the vessel RESOLVE PIONEER, official number 597409 (the "Vessel"), in Zhoushan, China, will not result in the Vessel being deemed rebuilt foreign pursuant to 46 C.F.R. § 67.177 and, subsequently, result in a loss of the Vessel's eligibility for a coastwise endorsement.

You have reported that the Vessel is an anchor handling and towing supply vessel that is due for a survey to maintain its classification status. As part of the survey some repair work will be done on the hull and structure of the Vessel and a Palfinger "knuckle boom" crane, acquired through a U.S. government auction, will be installed on the aft work deck. You have also stated the Vessel is currently stationed in Dutch, Alaska, where a suitable drydock is not available.

It is clear from your accompanying memorandum that you have a good understanding of the regulatory standard for such determinations; the so-called "major component test" (46 C.F.R. § 67.177(a)) and the so-called "considerable part test" (46 C.F.R. § 67.177(b)), both of which must be met. The "major component test" requires that a vessel be deemed rebuilt foreign "when a major component of the hull or superstructure not built in the United States is added to the vessel". Although the term "major component" is not defined by statute or regulation, longstanding Agency practice, affirmed by the Courts (Shipbuilders Council of America v. U.S. Coast Guard, 578 F. 3d 234 (4th Cir. 2009)), defines it as a new, separate and completely-constructed unit, built separate from and added to the vessel, that weighs more than 1.5% of the steelweight (or discounted lightship weight) of the vessel.

The "considerable part test" requires that only a certain quantity of work can be performed on the hull or superstructure of the vessel outside of the United States for it to be deemed not rebuilt foreign --- 7.5% or less of the vessel's steelweight (or discounted lightship weight) prior to the work.

I also note that the definitions of "hull" and "superstructure", as found at 46 C.F.R. § 67.3, are applicable to the application of this regulatory standard.

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As is our practice, we referred your submission to the Coast Guard's Naval Architecture Division ("NAD") for their review of your proposal with particular regard to the weight calculations you have presented. In aid of their review, I also acknowledge the e-mail dated July 19, 2017 from Mr. Geoffrey Single of your office which provided certain additional information requested by the NAD in connection with the determination of the discounted lightship weight of the Vessel.

As the Vessel is relatively old (built in 1978) and original documentation is not available you have used the parametric methodology of SNAME "Ship Design and Construction (Vol. 1)", (Thomas Lamb, editor, 2003 ed.), Chapter 11, Parametric Design. Moreover, to err on the conservative side, you have considered the lightest steelweight of the estimated range determined by that method (545.40 Mtons) to be the discounted lightship weight of the Vessel for the purposed of this determination. The NAD has reviewed your calculations on this issue, aided by the additional information provided by request, and have found your estimate, converted to 535.66 Ltons, to be acceptable.

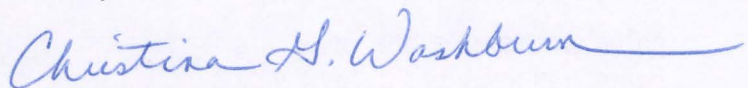
With regard to the "major component test", 1.5% of the discounted lightship weight of the Vessel would be 8.03 Ltons. You have reported that the heaviest expected piece to be added to the Vessel will be a bulkhead plate at Fr. 33-44 in Water Ballast tank No. 7 weighing 2,128.19 lbs. or 0.95 Ltons, which is considerably less than the 8.03 Lton threshold.

You have also proposed, and the NAD has concurred that, the Palfinger crane itself (excluding its structural pedestal base the steelweight of which will be counted) should be considered as outfit and not as part of the hull or superstructure of the Vessel.

With regard to the "considerable part test", all added steelweight taken into account excluding only the Palfinger crane itself but including its pedestal, the steelweight of the work performed would be 20,293.52 lbs. or 9.06 Ltons. This is well less than the 7.5% (or 40.17 Ltons) maximum threshold and the NAD has concurred with the reasonableness of these calculations.

Based upon these findings, I conclude and confirm that performance of the proposed work to the Vessel outside of the United States would not, under currently applicable law and practice, adversely affect the eligibility of the Vessel to engage in the coastwise trades of the United States. However, as we customarily do, we require that you confirm to this office in writing following completion of the work that the work actually performed conformed to the proposal you have submitted in support of your application. The Vessel being older, this written confirmation is particularly appropriate and called for in this case due to the possibility that some unanticipated replacement of hull plating may be found to be necessary.

Sincerely,



Christina G. Washburn
Director