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May 11, 2022

David S. Bland, Esq.
Bland & Partners
5500 Prytania Street, Ste. 618
New Orleans, Louisiana 70115

Dear Mr. Bland:

I am writing in response to your letter of April 1, 2022, with attachments, on behalf of Kiewit Offshore Services, Ltd. ("KOS"). As you stated, KOS, a subsidiary of Kiewit Corporation located in Ingleside, Texas, intends to begin the fabrication of a series of flat deck barges (the "Barges") for the internal use of KOS and Kiewit. You requested confirmation that, upon completion of the Barges, in accordance with the plans and work as described by your letter and its attachments, they will be deemed to have been built in the U.S. in accordance with 46 C.F.R. § 67.97 and, as such, eligible to be documented with coastwise endorsements and to engage in the coastwise trades of the U.S.

According to your letter, all design fabrication and assembly activities for the Barges will be completed in the U.S. That being the case, it appears that in accordance with 46 C.F.R. § 67.97, all components, let alone all major components, will be fabricated in the U.S. and the Barges will be assembled entirely in the U.S.

The sole issue for consideration, therefore, would seem to revolve around your intended use of plate material and angle stiffeners purchased from overseas non-domestic mills. As stated, however, this material will be received at KOS's fabrication facility in the as-rolled condition without any further working or fabrication having been done by the overseas mill.

It is well-established by numerous prior determinations, and set forth in the Steel Weight Criteria Memorandum posted on the website of the National Vessel Documentation Center, that the use of steel delivered from foreign mills in original (unworked) stock sizes, shapes and lengths can be used in unlimited quantities in the construction of vessels deemed built in the U.S.; provided, that all subsequent work on the steel (including marking, cutting, drilling, beveling, bending, shaping, etc. is done in the U.S.

That having been well-established, the question you have presented appears to focus on the fact that, in the case of these Barges, the plate material will be supplied by the mill "with surface shotblast and a pre-construction primer applied for corrosion protection" prior to shipment by the

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mill to the Ingleside, Texas facility of KOS. Since that kind of surface preparation and primer application of the stock (and unworked) steel does not, in my view, constitute the working or fabrication of the steel as contemplated by the limitations established by 46 C.F.R. § 67.97, I conclude that, since this stock steel will not have otherwise worked or fabricated, the supply of that service by the overseas mill will not cause the Barges, when constructed with that steel, to be deemed to not have been built in the U.S.

As an aside, I also point out that, were the same services to be performed on structural steel of a completed U.S. built vessel in a foreign shipyard, those services would also not be counted as part of the "steel work" done to that vessel in the context of a foreign rebuild determination pursuant to 46 C.F.R. § 67.177. In that sense, my determination in this case parallels and is not inconsistent with what would be the treatment of those services in that context.

In light of the foregoing, I conclude that the Barges in this case, if built as you have described, will be deemed to have been built in the U.S. and, as such, eligible to be documented with coastwise endorsements entitling them to engage in the coastwise trades of the U.S.

Sincerely,



Christina G. Washburn
Director