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United States
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16713/8/1
April 1, 2020

Michael S. Timpone, Esq.
Seward & Kissel LLP
One Battery Park Plaza
New York, NY 10004

Dear Mr. Timpone:

I am writing in response to your letter of March 13, 2020 on behalf of American Commercial Lines Inc. ("ACL"), a Delaware corporation and citizen of the United States within the meaning of 46 U.S.C. § 50501 and the related regulations in 46 C.F.R. Part 67. As you have noted, wholly-owned subsidiaries of ACL own and operate numerous documented towboats and barges that operate in the U.S. coastwise trade.

As your letter discussed in detail which I need not repeat, ACL filed for bankruptcy protection on February 7, 2020, in the United States Bankruptcy Court for the Southern District of Texas, Houston Division under chapter 11 of Title 11 of the United States Code (Case No. 20-30982). That same day ACL also filed a proposed plan of reorganization. Subsequent to your letter of March 13, 2020, you informed us by e-mail on March 20, 2020, that the plan of reorganization had been approved by the Bankruptcy Court that day. That plan calls for a substantial amount of ACL's debt to be converted into equity in a reorganized entity ("Reorganized ACL") upon emergence from bankruptcy. As part of that plan, a combination of equity and warrants in Reorganized ACL will be issued to current creditors and equity holders, including to some who are not U.S. citizens (within the meaning of 46 U.S.C. § 50501 and related regulations) or who cannot establish their citizenship to ACL's satisfaction. Also, going forward there is a mechanism by which Reorganized ACL will issue additional warrants to such parties holding warrants as anti-dilution protection.

You have requested that we review the plan in order to confirm that (i) the issuance of warrants as described, including pursuant to the anti-dilution protection provisions, and (ii) the corporate governance provisions of Reorganized ACL, will not adversely affect the coastwise citizenship status of Reorganized ACL.

In support of your request you have attached to your letter extensive documentation; including, as filed with the Bankruptcy Court in substantially final form, the Restructuring Support

Agreement, as well as Warrant Agreements, Amended and Restated Certificate of Incorporation, and Stockholders Agreement. That documentation, comprising in excess of six hundred pages, was offered in support of the issues summarized and discussed in your letter.

Your letter also indicates that you are familiar with and have tailored your plan to substantially conform to prior plans involving the use of warrants, including anti-dilution protection provisions in some cases, and related governance provisions, which have been reviewed favorably by this office. I refer here to determination letters issued in the past in connection with plans submitted by or on behalf of Harvey Gulf International Marine, GulfMark Offshore Inc., Tidewater Inc., Overseas Shipholding Group, Inc., Horizon Lines, Inc., and U.S. Shipping Partners L.P.

I find from my review of your discussion and supporting documentation that with respect to the issuance of warrants, including warrants issued as part of the anti-dilution protection provisions, that your plan is substantially similar to and does not vary in any material way from the general principles that we have established in previous determination letters; among them, which also appear to be present in this case:

- They do not directly or indirectly, give any holder any voting, control, dividend or other rights as a stockholder.
- They can only be exercised and converted into shares of equity if the conversion would result in non-U.S. citizens owning no more than (in this case) 24 percent in the aggregate of the shares of each class of equity, and mechanisms have been put in place to prevent that ceiling from being exceeded.
- They do not contain any negative covenants restricting the operation of Reorganized ACL's business and will not enable holders to vote for members of the Board of Directors or officers of Reorganized ACL.
- They do not give holders title to the underlying unissued shares of equity in Reorganized ACL.
- They include an anti-dilution formula that provides, by issuance of new (or anti-dilution) warrants, approximately equivalent economic protection for holders in the event of dividend or distributions to equity holders, while not creating or giving rise to any fiduciary obligation owed to the holder.
- They provide that any sale or transfer by a holder that is a non-U.S. citizen to a person who is a U.S. citizen must be a complete transfer of such holder's interest in equity issuable upon their exercise with the transferor retaining no ability to direct or control such person.

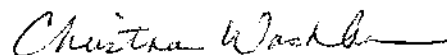
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I find the same as to the various related governance issues discussed in your letter and supported by your accompanying documentation; among them:

- A new Certificate of Incorporation will be adopted which among other things will facilitate Reorganized ACL's compliance with coastwise citizenship requirements by restricting ownership of the outstanding shares of each class of equity by non-U.S. citizens in the aggregate to not more than (in this case) 24 percent of each class.
- Upon emergence from bankruptcy the composition of the board of directors and the citizenship of the chief executive officer and chairman of the board of directors will satisfy the requirements of 46 U.S.C. 12103(b)(4) and mechanisms are incorporated to ensure that those requirements are met thereafter; including a requirement that each holder of Reorganized ACL securities take all necessary steps reasonably required in order to cause the board of directors to be in Jones Act compliance.
- Although certain extraordinary actions cannot be undertaken without the approval of a supermajority of the board of directors (e.g., amendment of the organizational documents) the actions identified are common to such restructurings and have been considered and do not go beyond those that have been accepted in other transactions.

Accordingly, based upon the foregoing and subject to the descriptions and representations made by your letter and its attachments, I confirm that the coastwise citizenship status of Reorganized ACL will not be adversely affected by the corporate governance provisions of, or issuance of warrants by, Reorganized ACL. If any of the provisions described by your letter or its attachments should materially change this confirmation shall be null and void.

Sincerely,



Christina Washburn
Director