

U.S. Department of
Homeland Security

United States
Coast Guard



Director
National Vessel Documentation Center

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16713/5/2
October 29, 2021

Mr. John Morganti
Director, Offshore Marine
Savage Marine Management
1575 Sawdust Rd. #250
The Woodlands, TX 77380

Dear Mr. Morganti:

I refer to your e-mail dated June 22, 2021, in which you advised the National Vessel Documentation Center ("NVDC") that a vessel under your management, the SULPHUR ENTERPRISE, official number 1024115 (the "Vessel"), was going to be dry docked in Veracruz, Mexico on or about July 30, 2021 with the expectation that it would be there through September 20, 2021. You indicated at that time that you were not requesting a preliminary foreign rebuild determination pursuant to 46 C.F.R. § 67.177. Rather, your stated purpose was to make the NVDC aware of your intentions and to inform us that you would follow up with steel weight calculations as to the work done for our final review and determination pursuant to 46 C.F.R. § 67.177(g) within thirty days after completion of all the work.

I am writing in response to your e-mail of October 6, 2021, by which you submitted your final steel weight calculations as to the work done during the above period in Veracruz.

Before addressing the calculations submitted as to that work, I think it is worth recounting the recent history of work done to this Vessel and the determinations made by the NVDC concerning that work.

On August 2, 2018, the NVDC issued a preliminary foreign rebuild determination for this Vessel upon the application of Kalmarine, Inc. (Mr. Douglas Frongillo), on behalf of the various interests in the Vessel prior to an intended dry docking in Veracruz at that time. Following that work, final calculations of the work done were submitted to the NVDC by e-mail dated September 19, 2018, and the NVDC then issued its final foreign rebuild determination by letter dated October 18, 2018.

As explained in our August 2, 2018 letter, the discounted steel weight of the Vessel was calculated according to the parametric methodology. Estimates based upon that methodology are accepted if other weight information is not available, as was the case at that time. As further explained, Kalmarine had submitted its calculation of that weight at 4,988 Mtons but the Coast

Guard's Naval Architecture Division ("NAD"), which had performed a review of this matter at the request of the NVDC, suggested revisions to that calculation. For purposes of the August 2, 2018, letter, I accepted the NAD's finding that the discounted steel weight of the Vessel was 5,316 Mtons. However, by e-mail dated September 19, 2018, Kalmarine submitted its final calculations after the completion of the work and included its suggested recalculation of the discounted steel weight of the Vessel at 5,362 Mtons. That weight estimate was accepted by the NAD for the purposes of its October 9, 2018, review and findings as to the final work done and, although not separately recited in the NVDC's final rebuild determination letter dated October 18, 2018, that estimate of the discounted steel weight of the Vessel was accepted for the purposes of that final determination in 2018. It will also be accepted here, for purposes of the dry docking in 2021, and going forward as well.

It is important to clarify this issue even though the variations in the discounted steel weight estimates above may be relatively minor. Based on prior correspondence, I know that you are aware that the 7.5% cap on foreign steel work under the so-called "substantial part test" of 46 C.F.R. § 46.67.177 is a cumulative service life cap for vessels that undergo such work. This is explained more fully in paragraph (a) of the Review Criteria for Steel Weight Components memorandum posted on the NVDC web site and updated periodically. Consequently, since that 7.5% percent cap is a percentage of a vessel's discounted steel weight, it is important to have as precise an understanding as is reasonably possible of that discounted steel weight.

Finally, to complete the recounting of the recent history of work done to this Vessel, I note that the NVDC's preliminary foreign rebuild determination dated August 2, 2018, concerning work proposed to be done at that time found that the steel work, on the basis of steel to be added, would be 32.0 Mtons, well below the 7.5% cap. However, on the basis of the final post-work calculations submitted by Kalmarine on September 9, 2018, the NAD found, and the NVDC concurred, in its final foreign rebuild determination letter dated October 18, 2018, that the work actually done at that time was 89.23 Mtons, still well below the 7.5% cap.

It is the discounted steel weight of the vessel of 5,362 Mtons and the 89.23 Mtons of steel work done in 2018 that will be used in assessing the work done in 2021, and going forward.

As found by the NAD, with a discounted steel weight of the Vessel of 5,362 Mtons and 89.23 Mtons of foreign steel work done in 2018, the current allowable limit under the 7.5% lifetime service cap is 312.9 Mtons. The NAD further found that the structural steel weight of the work done in Veracruz in 2021 totaled 10,278.5 lbs. (4.67 Mtons). This total has excluded 101 lbs. in connection with repairs to the rose boxes as part of the bilge system. Consequently, the actual foreign steel work done of 4.67 Mtons is well below the allowable limit for this Vessel of 312.9 Mtons.

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Based upon these findings, I conclude and confirm that the work done in Veracruz, Mexico, in 2021 during the dry docking of the Vessel there was within the limits prescribed by currently applicable law and practice and, consequently, does not adversely affect the eligibility of the Vessel to engage in the coastwise trades of the United States as built in the United States.

Sincerely,

A handwritten signature in cursive script that reads "Christina G. Washburn". The signature is written in black ink and has a long horizontal flourish at the end.

Christina G. Washburn
Director