

U.S. Department of
Homeland Security

United States
Coast Guard



Director
National Vessel Documentation Center

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16713/5/2
December 21, 2016

Mr. Robert Lee Jones
1266 New Hampshire Avenue
Washington, DC 20036

Dear Mr. Jones:

I am writing in response to your letter of November 2, 2016. In that letter you described the design, construction and functional purpose of a vessel identified as the Watermaster Excavator (the "Watermaster" or the "Vessel") and requested a determination that the Watermaster, as described, would be considered to be built in the United States and, as such, qualified to engage in the coastwise trade of the United States.

As described, the Watermaster is intended to be used by Coastal Revitalization (hereafter known as "Coastal"), the firm of your client, Mr. Peter Alexander of Greenwich, Connecticut, for the purpose of restoration of small lakes in New England by restoring and raising shoreline elevations for storm protection, adjusting water depth in shallow shorelines, collecting material to restore ecosystem features and maintaining mooring fields and recreational waters that suffer from silt input.

On June 26, 2013, you received a response from U.S. Customs and Border and Protection (CBP) to your inquiry with regard to the Watermaster and these planned activities that the Watermaster, because it was built in Finland by Aquamec Ltd. (hereafter known as "Aquamec"), and not built in the United States, could not be used to dredge, transport, or harvest within the navigable waters of the United States.

Since receipt of that ruling by CBP you have made arrangements for the construction of the Watermaster by Blount Boats, Inc. (hereafter known as "Blount"), a shipyard based in Warren, Rhode Island. As you have described the intended construction, Blount will wholly source, build and test the hull, propulsion shaft, rear spuds and side pontoons at its facilities in the United States. However, Coastal will purchase certain bolt-on components from Aquamec and ship them to Blount. Blount will then completely assemble and test the Watermaster at its facility in Warren, Rhode Island, using the components constructed itself and the bolt-on components received from Aquamec. Those bolt-on components constructed by and received from Aquamec would include the following:

- "fully assembled engine room to be bolted onto hull deck."
 - hydraulic pumps, valves, pipes, hoses, tank, cooler, engine, wiring to cabin

- fully assembled control station bolted onto hull deck, large enough for one person
 - fully preassembled with controls, seat, air conditioning, heating, hydraulics, wiring, gauges, engine display.
- cranes, outriggers, spuds and other external mounted equipment that is not constructed by Blount Boats.”

In order for any vessel, including the Watermaster, to be determined to have been built in the United States it must meet both of the requirements of 46 C.F.R. § 67.97; namely:

“To be considered built in the United States a vessel must meet both of the following criteria:

- (a) All major components of its hull and superstructure are fabricated in the United States;
and
- (b) The vessel is assembled entirely in the United States.”

Moreover, the terms “hull” and “superstructure”, as used therein, are further defined at 46 C.F.R. § 67.3, in pertinent part, as follows:

“*Hull* means the shell, or outer casing, and integral structure below the main deck which provide both the flotation envelope and structural integrity of the vessel in its normal operations...”

Superstructure means the main deck and any other structural part above the main deck.”

Upon my initial review of your letter and its enclosures, I found that the Watermaster and its intended method of construction by Blount appeared to be very similar to the Amphibex vessels constructed in Panama City, Florida, which were the subject of our determination letter, dated April 25, 2013. In that letter we determined that the Amphibex vessels would be considered to have been built in the United States and, thus, qualified to engage in the coastwise trade of the United States. Nevertheless, because there appeared to be some differences in the design and construction methodologies between the Watermaster and the Amphibex vessels, we referred your letter and its enclosures to the Coast Guard’s Naval Architecture Division (NAD), as is our practice and as we did in the case of the Amphibex vessels.

It did not surprise me, though, when the NAD responded with the following conclusions:

9. “Consistent with our previous reviews of this nature, we consider *superstructure* to include deckhouses and pilothouses, but not breakwaters, crane or mast houses, or ventilation or exhaust trunks (these being outfitting components). In this regard, the Watermaster operator’s cab is only large enough for a single seated person and a second person standing behind the operator (as an overseer or trainer). It is essentially a weather-sheltered operating station, functionally equivalent to the enclosed cab of a cargo crane. Therefore, we do not consider it to be a superstructure.

10. The purpose of the smaller side pontoons is to provide lateral stability during crane operations while afloat, when a loaded bucket swings around over the side. They are detachable (bolted to the hull pontoon); photos of the Watermaster at work show it operating with and without the side pontoons. Because they are detachable, and only needed in conjunction with crane operations (and not to provide general buoyancy for the vessel), we do not consider them to be part of the flotation envelope of the hull.
11. The outriggers are fitted with "stabilizer floats" at their ends. Their purpose is to provide additional lateral stability or to help the vessel hold position. In shallow water, the outriggers can reach down and brace against the bottom; in deeper water, floats can provide additional lateral stability. Therefore, we do not consider them to be part of the flotation envelope of the hull, either.
12. We consider the crane arm, outriggers, spuds, and other mechanical systems to be deck equipment, and therefore their foundations and attachment points are not hull components.
13. In conclusion, the hull pontoon and side pontoons will be fabricated in a U.S. shipyard. None of the attachments to the hull pontoon are components of the hull or superstructure. Under these circumstances, there is no need to determine a discounted steel weight."

Consequently, none of the bolt-on components to be constructed by and received from Aquamec are components of the hull or superstructure and therefore need not be fabricated in the United States in order to satisfy the first requirement of the test set forth in 46 C.F.R. § 67.97.

The second requirement of 46 C.F.R. § 67.97 is that, to be deemed built in the United States, the vessel must be assembled entirely in the United States. The application of this requirement in practice, discussed more fully in Philadelphia Metal Trades Council, MTD, AFL-CIO v. Allen, 2008 WL 4003380, E.D. Pa., 2008, allows that items not integral to the hull or superstructure of a vessel may be foreign built without compromising its coastwise eligibility provided that they are assembled into the vessel in the United States.

As with the Amphibex vessels, because all of the various components and attachments at issue in this case will be assembled into the Watermaster at the facilities of Blount in Warren, Rhode Island (and will be detachable in any event) as your letter has represented, their foreign manufacture will not compromise the coastwise eligibility of the Vessel.

Consequently, for all of the above reasons, I confirm that the Watermaster vessel, if constructed and assembled as described, would be determined to have been built in the United States and, as

16713/5/2
December 21, 2016

such, qualified to engage in the coastwise trades of the United States. This confirmation applies equally to both the "Classic IV" and "Classic V" design configurations which were submitted for review.

Sincerely,

A handwritten signature in black ink, appearing to read "Christina G. Washburn", with a long horizontal flourish extending to the right.

Christina G. Washburn
Director

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16713/5/2
September 24, 2019

Jonathan J. Dreyfuss
Watermaster North America
390 Sumac Lane
Ann Arbor, MI 48105

Dear Mr. Dreyfuss:

I refer to e-mail correspondence received on September 16, 2019, from you as well as from Mr. Donald Reeck, also of Watermaster North America. The subject of that correspondence was your request for confirmation that the determination letter dated December 21, 2016 issued by this office to Mr. Robert Lee Jones, on behalf of his client, Mr. Peter Alexander of Coastal Revitalization, concerning the status as built in the U.S. of a vessel identified as the Watermaster Excavator (the "Vessel(s)") would remain valid notwithstanding a change in the party which now has the exclusive right to manufacture and sell the Vessel(s) in the U.S. as well as a change in the identity and location in the U.S. of the yard which has been contracted to manufacture the Vessel(s). In that regard, my understanding is as follows:

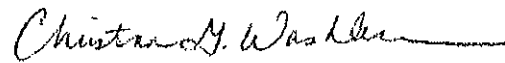
- (i) that, your company, Watermaster North America of Ann Arbor, MI, rather than Mr. Alexander's company, now has the exclusive right to manufacture and sell the Vessel(s); and
- (ii) that, Watermaster North America has contracted with Moran Iron Works of Onoway, MI, rather than Blount Boats, Inc. of Warren, RI, to manufacture the Vessel(s); and
- (iii) that, other than these changes, the design of the Vessel(s), the parts procurement plans and the manufacturing and testing process for the Vessel(s) will remain in all material respects, as described in the letter of December 21, 2016.

The first two changes noted above will have no bearing on the status of the Vessel(s) as built in the United States. Consequently, provided that the third condition noted above remains

16713/8/2
September 24, 2019

true and accurate. I re-confirm that the Vessel(s), if constructed and assembled as described, would be deemed to have been built in the U.S. and, as such, qualified to engage in the coastwise trades of the U.S.

Sincerely,

A handwritten signature in cursive script, reading "Christina G. Washburn", followed by a horizontal line.

Christina G. Washburn
Director



16713/5/2
October 30, 2020

Scott R. Gunst, Jr. Esq.
Biggs & Gunst P.C.
3830 Packard Road, Suite 240
Ann Arbor, MI 48108

Dear Mr. Gunst:

I am writing in response to your letter of October 2, 2020, and your inquiry on behalf of your client, Watermaster North America LLC ("Watermaster"). A vessel planned and now under construction for Watermaster by Moran Iron Works of Onoway, Michigan ("Moran") was the subject of prior determination letters issued by the National Vessel Documentation Center ("NVDC") on December 21, 2016 and September 24, 2019. You have now written to seek a further clarification and confirmation in light of certain facts concerning the construction by Moran which have recently come to the attention of Watermaster.

You have described those new facts as follows:

"[Moran}...has acquired original unworked steel in stock (sic) sizes, shapes, and lengths from a Canadian steel mill to be used in the fabrication of the vessel's hull and superstructure. All the cutting and shaping and fabricating of the Canadian steel to incorporate it into the vessel's construction will be performed by Moran's employee's at their Michigan facility."

You have sought confirmation that use of foreign-sourced steel as described is not prohibited, will not be included in the vessel's foreign component weight calculation and, consequently, will not adversely impact the prior determination by this office that the vessel, if constructed and assembled as described, would be determined to have been built in the United States and as such, qualified to engage in the coastwise trades of the United States.

Consistent with the principles set forth in the Review Criteria for Steel Weight Components memorandum posted on the NVDC website, as such principles have been referenced and applied in the context of numerous prior NVDC determinations which are also posted on that website, I so confirm.

Sincerely,

A handwritten signature in cursive script that reads "Christina G. Washburn".

Christina G. Washburn
Director