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March 15, 2017

601-16

Via e-mail: [response@CBP.DHS.gov](mailto:response@CBP.DHS.gov)

Re: Closing Jones Act Loopholes/Revocation of Letter Rulings  
Transportation of Goods from OCS Structures to OCS Artificial Reefs

Dear Sir or Madam:

I represent Versamarine, L.L.C., a company which owns a U.S. Flag, Jones Act compliant vessel which performs heavy lifts in the Gulf of Mexico on the outer Continental Shelf. We have read in several industry publications that U. S. Customs and Border Protection is in the process of closing loopholes in the Jones Act, 46 U.S.C. § 55102. We are familiar with the letter rulings that CBP proposes revoking and wish to advise that we strongly support the revocation of them all. We would also like to briefly address in this comment two additional loopholes supported by certain letter rulings and seek your assistance in having them closed.

Foreign flag vessels routinely remove and transport parts of permanently or temporarily affixed structures which include decks, modules and jackets on the outer Continental Shelf associated with mineral (oil and gas) production from locations where the wells have been permanently plugged and abandoned (but where the production facilities have not been fully

decommissioned as specified under the Bureau of Safety and Environmental Enforcement “BSEE” rules and regulations), to other U.S. points, which is a clear violation of the Jones Act.

Under the Jones Act, a foreign flag vessel may not transport goods from one U.S. point to another. Customs and Border Protection uses the BSEE regulations to determine whether a structure on the outer Continental Shelf is a point for purposes of the Jones Act, but uses the wrong regulations/criteria, both logically and according to the Federal Courts. A permanently or temporarily affixed structure on the outer Continental Shelf used to explore for, to develop or to produce resources is considered a point, thereby making the offshore production facility a point. When any part of the structure on the outer Continental Shelf is removed and transported to form all or part of an artificial reef on the outer Continental Shelf, when the well has been permanently plugged and abandoned pursuant to BSEE regulations, but the platform remains subject to BSEE’s oversight, such is a violation of the Jones Act. A well/facility cannot be considered decommissioned until after the platform (deck and jacket) is removed, and additional activities such as underwater site clearance (removing any seabed debris) is performed.

**I. A permanently “plugged and abandoned” well remains a point.**

The first loophole, of which foreign vessels routinely take advantage, is the argument that because the well has been permanently plugged and abandoned, the facility/structure is no longer a point, even though it is still subject to BSEE’s oversight including important pollution and safety issues and also financial requirements. We believe it is logical and in keeping with the purposes of the Jones Act, that every platform engaged in mineral production on the outer Continental Shelf remains a point for purposes of the Jones Act until the facility/well is at least decommissioned and no longer under BSEE’s control.

The Federal Courts are even stronger on this issue. In *Tetra Technologies, Inc. v. Continental Insurance Company*, 814 F.3d 733 (5<sup>th</sup> Cir. 2016), the Fifth Circuit held, as recently as last year, that the Outer Continental Shelf Lands Act even applies to a “decommissioned oil production platform.” (“Because this dispute in this case stems from events that occurred in the Gulf of Mexico above the outer Continental Shelf (“OCS”), OCSLA applies.”) *Id.* 814 F.3d at 737-738.

In *Cutting Underwater Technologies USA, Inc. v. Con-Dive, LLC* 2011 WL 1103679 (E.D.La. 2011), affirmed 671 F.3d 512 (5<sup>th</sup> Cir. 2012), Judge Fallon held that the Outer Continental Shelf Lands Act applied to a structure until the full range of decommissioning activities were performed, which include removal of the platform:

This shift in terminology is telling. Indeed, it appears to reflect the recognition that depleted wells that are attached to a production platform are not properly abandoned until the full range of decommissioning activities – including the plugging of the wells and the removal of the platform – is carried out and that, accordingly, it would be inaccurate and confusing to use term “permanent abandonment” to denote only one aspect of the decommissioning process.

*Id.* at \*10 (Emphasis added.)

Initially, the Federal Court had jurisdiction over the case because the OCSLA applied to the “plugged and abandoned well.”

In affirming the district court, the Fifth Circuit stated, “The district court authored a thorough and well-reasoned opinion concerning the substantive issues presented, which we attach and adopt as the opinion of this court.” *Id.* 814 F3d at 733.

Under the regulations, the well is not decommissioned until the Lessees:

- (1) Remove or decommission all facilities, projects, cables, pipelines and obstructions;

- (2) Clear the seafloor of all obstructions created by activities on [the] lease . . .

30 C.F.R. V. B § 585.902.

The Federal Courts' opinions are the law and clearly take precedent over Customs and Border Protection "letter rulings," many which are in the process of being revoked as they created loopholes in the Jones Act.

**II. Artificial reefs are points.**

To avoid the reach of the Jones Act, foreign flag vessels contend that artificial reefs on the outer Continental Shelf are not points. However, the Federal Courts have clearly held that they are. In *Alliance to Protect Nantucket Sound, Inc. v. United States Department of the Army*, 398 F. 3d. 105 (1<sup>st</sup> Cir. 2005), the First Circuit Court of Appeals held that an artificial reef is governed by the Outer Continental Shelf Lands Act. Hence, an artificial reef would be a point under the Jones act and it would be illegal for a foreign vessel to transport parts of a structure or any goods to that reef from another point.

The ruse used by foreign vessels is that the Outer Continental Shelf Lands Act requires that the installation be related to exploring for, developing or producing minerals from the seabed. The First Circuit, after reviewing the statute and the legislative history held that Congress quite clearly did not intend any such limitation, but instead, extended the Outer Continental Shelf Lands Act to "all installations" on the outer Continental Shelf. The court stated:

[the] legislative history reveals with exceptional clarity, Congress's intent that Section 10 authority under OCSLA not be restricted to structures related to mineral extraction.

*Id.* 398 F.3d at 109.

The court continued:

In the conference report for the 1978 OSCLA amendments, Congress explained that the changes to subsection (e)

were technical only and there was no intent to change the present law. The existing authority of the Corps of Engineers... applies to all artificial islands and fixed structures on the [OCS], *whether or not they are erected for the purpose of exploring for, developing, removing and transporting resources therefrom.* The amendment... is not intended to change the scope of the authority but merely to conform the description of the types of structures, no matter what their purpose, to the type of structures listed in subsection (a), namely all installations and other devices permanently or temporarily attached to the seabed. It is not the intention of the conferees to limit the authority of the Corps [] as to structures used for the exploration, development, removal and transportation of resources.

*Id.* at 109 – 110 (emphasis in opinion)

The appellate court then unmistakably affirms the Corps authority under the Outer Continental Shelf Lands Act “to regulate the construction and location of... artificial fishing reefs...” *Id.* at 110. Accordingly, an artificial reef is a point governed by the Outer Continental Shelf Lands Act.

\* \* \*

Therefore, the transportation of any part of the structure by a non-Jones Act compliant vessel to an artificial reef is a clear violation of the Jones Act.

In summary, the Jones Act is a statute meant to foster the employment and use of American workers, equipment and companies and accordingly should be read broadly to effectuate those purposes and not with loopholes to thwart the statute’s aims.

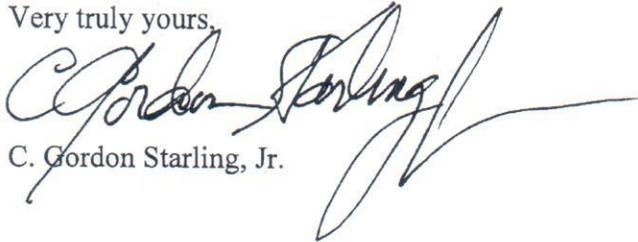
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Please do not hesitate to contact me should you have any questions or need any additional information. Thank you for your assistance.

Very truly yours,

A handwritten signature in black ink, appearing to read "C. Gordon Starling, Jr.", with a long horizontal flourish extending to the right.

C. Gordon Starling, Jr.

CGS/lbi

601-16\ltr\Artificial reefs letter to Custom & Border Protection

## MCNICKLE, SASHA W

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**From:** Elizabeth Lamach <Liz.Lamach@CRI-Criterion.com>  
**Sent:** Monday, April 17, 2017 11:32 AM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am writing today to strongly urge you to REJECT the Customs and Border Protection (CBP) Agency's proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_\_ The proposed modifications and revocations will have a wide range of repercussions on American oil and gas production in the Gulf of Mexico, but also supported employment, gross domestic product, as well as government revenue. \_\_\_ If the proposed changes are accepted, cumulative spending on offshore oil and natural gas development in the Gulf of Mexico OCS will decrease in the range of \$5.4 billion (15 percent) per year. With the decreased spending come the loss of 30 thousand jobs in 2017 and an average decreased employment of over 80 thousand jobs from 2017 to 2030. \_\_\_ Altering the Jones Act in this way would also mean an average loss of \$1.9 billion of government revenue per year from 2017 to 2030, placing additional strain on already overly burdened government budgets to maintain public projects and works. \_\_\_ This change will not impact US jobs, but will force corporations to spend more to reallocate assets to find work arounds to fulfill the need's of their customer's. Meanwhile, reducing their available funds for US employees pay increases. This is a loose/loose proposal for all parties involved. \_\_\_ It would be a terrible mistake to allow the proposed changes to be adopted. Once again, I urge you to reject the CBP's proposed modifications and revocations related to the use of Jones Act. \_\_\_ Sincerely, Elizabeth Lamach 4331 Satinwood Dr Concord, CA 94521-1302

**MCNICKLE, SASHA W**

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**From:** Sara Shayegi <sshayegi@gmail.com>  
**Sent:** Monday, April 17, 2017 11:48 AM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am writing today to strongly urge you to REJECT the Customs and Border Protection (CBP) Agency's proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_\_ The proposed modifications and revocations will have a wide range of repercussions on American oil and gas production in the Gulf of Mexico, but also supported employment, gross domestic product, as well as government revenue. \_\_\_ This is the type of change that sounds good in rallies, but goes counter to the interests of those cheering it on - the workers. There are many jobs that need filling, but these are either in service industries or require specific training.

\_\_\_ Thank you for your time and all your efforts. Sincerely, Sara Shayegi 12800 Briar Forest Dr Houston, TX 77077-2245

**MCNICKLE, SASHA W**

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**From:** Neil LeGrow <Neil.legrow1@gmail.com>  
**Sent:** Monday, April 17, 2017 11:59 AM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am writing today to strongly urge you to REJECT the Customs and Border Protection (CBP) Agency\'s proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_\_ The proposed modifications and revocations will have a wide range of repercussions on American oil and gas production in the Gulf of Mexico, but also supported employment, gross domestic product, as well as government revenue. \_\_\_ Our local energy industry needs to be competitive on a global scale considering it is a global market. A thriving American energy industry means more jobs, more tax revenues and energy security in the event of conflict. An abrupt change as proposed would place all this in jeopardy with an immediate impact of reduced operations offshore USA due to restrictions on capabilities to perform work and increased costs to perform work. \_\_\_ If the proposed changes are accepted, cumulative spending on offshore oil and natural gas development in the Gulf of Mexico OCS will decrease in the range of \$5.4 billion (15 percent) per year. With the decreased spending come the loss of 30 thousand jobs in 2017 and an average decreased employment of over 80 thousand jobs from 2017 to 2030. \_\_\_ Altering the Jones Act in this way would also mean an average loss of \$1.9 billion of government revenue per year from 2017 to 2030, placing additional strain on already overly burdened government budgets to maintain public projects and works. \_\_\_ It would be a terrible mistake to allow the proposed changes to be adopted and am DEEPLY CONCERNED of the potentially unintended ramifications. \_\_\_ Once again, I urge you to reject the CBP\'s proposed modifications and revocations related to the use of Jones Act. \_\_\_ Sincerely, Neil LeGrow 27803 Amy Willow Ln Spring, TX 77386-3729

**MCNICKLE, SASHA W**

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**From:** Beth Collier <Beth.Collier@Shell.com>  
**Sent:** Monday, April 17, 2017 11:59 AM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am writing today to strongly urge you to REJECT the Customs and Border Protection (CBP) Agency\'s proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_\_The proposed modifications and revocations will have a wide range of repercussions on American oil and gas production in the Gulf of Mexico, but also supported employment, gross domestic product, as well as government revenue. \_\_\_If the proposed changes are accepted, cumulative spending on offshore oil and natural gas development in the Gulf of Mexico OCS will decrease in the range of \$5.4 billion (15 percent) per year. With the decreased spending come the loss of 30 thousand jobs in 2017 and an average decreased employment of over 80 thousand jobs from 2017 to 2030. \_\_\_Altering the Jones Act in this way would also mean an average loss of \$1.9 billion of government revenue per year from 2017 to 2030, placing additional strain on already overly burdened government budgets to maintain public projects and works. \_\_\_It would be a terrible mistake to allow the proposed changes to be adopted. Once again, I urge you to reject the CBP\'s proposed modifications and revocations related to the use of Jones Act. \_\_\_Please don\'t let something that you thought would be a good thing actually cause more harm than good to the American people. \_\_\_ Sincerely, Beth Collier 20007 N Pecos Valley Trl Katy, TX 77449-4908

**MCNICKLE, SASHA W**

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**From:** Anthony DeFelice <nolaman@gmail.com>  
**Sent:** Monday, April 17, 2017 12:04 PM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am writing today to strongly urge you to SUPPORT the Customs and Border Protection (CBP) Agency\'s proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_ Sincerely, Anthony DeFelice 1432 N Miro St New Orleans, LA 70119-2619

**MCNICKLE, SASHA W**

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**From:** Birney West <west2@aol.com>  
**Sent:** Monday, April 17, 2017 12:23 PM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am writing today to strongly urge you to REJECT the Customs and Border Protection (CBP) Agency's proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_\_ The proposed modifications and revocations will have a wide range of repercussions on American oil and gas production in the Gulf of Mexico, but also supported employment, gross domestic product, as well as government revenue. \_\_\_ The proposed modifications/revocations would cause IRREPARABLE DAMAGE to my state of Texas and our country's already struggling offshore energy industry. Low oil prices have all but crippled the industry already and the proposed modifications would be the final nail in the coffin. I believe it would be incredibly short-sighted and dangerous to naively believe that there will be any net benefit to increasing the cost and decreasing our options for providing the energy we need in terms of money, time and logistics. Without a doubt, the proposed changes would seriously threaten our NATIONAL SECURITY! \_\_\_ If the proposed changes are accepted, cumulative spending on offshore oil and natural gas development in the Gulf of Mexico OCS will decrease in the range of \$5.4 billion (15 percent) per year. With the decreased spending come the loss of 30 thousand jobs in 2017 and an average decreased employment of over 80 thousand jobs from 2017 to 2030. \_\_\_ Altering the Jones Act in this way would also mean an average loss of \$1.9 billion of government revenue per year from 2017 to 2030, placing additional strain on already overly burdened government budgets to maintain public projects and works. \_\_\_ It would be a terrible mistake to allow the proposed changes to be adopted. Once again, I urge you to reject the CBP's proposed modifications and revocations related to the use of Jones Act. \_\_\_ Sincerely, Birney West  
13219 Christi Ln Santa Fe, TX 77510-8980

**MCNICKLE, SASHA W**

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**From:** Ross Pierkowski <rosspierk@gmail.com>  
**Sent:** Monday, April 17, 2017 12:35 PM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: The modification of the Jones Act will reduce US jobs, not create more jobs. This type of political, knee jerk, uninformed policy is exactly the problem with short sighted 'sound bite' ready legislation that does more damage than good. We live in a global economy. The oil business is not a silo. Please inform yourself of the implications of bills and policy modification that are damaging to US employment. Sheesh. \_\_\_ I am writing today to strongly urge you to REJECT the Customs and Border Protection (CBP) Agency's proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_\_ The proposed modifications and revocations will have a wide range of repercussions on American oil and gas production in the Gulf of Mexico, but also supported employment, gross domestic product, as well as government revenue. \_\_\_ If the proposed changes are accepted, cumulative spending on offshore oil and natural gas development in the Gulf of Mexico OCS will decrease in the range of \$5.4 billion (15 percent) per year. With the decreased spending come the loss of 30 thousand jobs in 2017 and an average decreased employment of over 80 thousand jobs from 2017 to 2030. \_\_\_ Altering the Jones Act in this way would also mean an average loss of \$1.9 billion of government revenue per year from 2017 to 2030, placing additional strain on already overly burdened government budgets to maintain public projects and works. \_\_\_ It would be a terrible mistake to allow the proposed changes to be adopted. Once again, I urge you to reject the CBP's proposed modifications and revocations related to the use of Jones Act. \_\_\_ Sincerely, Ross Pierkowski 1356 Chardonnay Dr Houston, TX 77077-3140

## MCNICKLE, SASHA W

---

**From:** Mark Broughton <markham.broughton@shell.com>  
**Sent:** Monday, April 17, 2017 12:38 PM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am pro-American in every way. I am highly supportive of stimulating jobs domestically and helping USA based companies be competitive internationally. However, we need to do that by making American companies better rather than protecting stagnant businesses & outdated practices/technologies. Just legislating extra costs onto foreign owned companies that provide many thousands of jobs within N. America is not prudent or sustainable strategy. \_\_\_ With that being said, my oil & gas related job (along with thousands of associates) depends on the American arm of an international conglomerate being able to function effectively within the United States. Raw materials, finished goods, and even services for our entire N. American business are often sourced from abroad. This usually occurs because such goods & services are not even available in the USA, or at least, not at competitive prices. \_\_\_ The changes proposed on Jan. 18, 2017 to the Jones Act for vessels engaged in offshore oil & gas activities by the Customs and Border Protection (CBP) Agency are a serious threat to the USA economy in many ways (... including the following macro-points): \_\_\_ \* Est. \$5.4 billion/year decrease in spending on offshore oil & natural gas development in the \_\_\_ Gulf of Mexico OCS (-15% from 2016). \_\_\_ \* Est. 30 thousand jobs eliminated in 2017 alone. \_\_\_ - Over 80 thousand jobs from 2017 to 2030. \_\_\_ \* \$1.9 billion loss of government revenue per year from 2017 to 2030.. \_\_\_ Therefore, I respectfully urge you to help save my job. Please REJECT the current version of the Customs and Border Protection (CBP) Agency\'s proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. I am confident that they can come up with a far more innovative and business/economy friendly strategy. Sincerely, Mark Broughton 1 Juniper Hill Rd NE Albuquerque, NM 87122-1910

**MCNICKLE, SASHA W**

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**From:** Russell Schmidt <russell.schmidt@shell.com>  
**Sent:** Monday, April 17, 2017 12:19 PM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am writing today to strongly urge you to REJECT the Customs and Border Protection (CBP) Agency\'s proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_\_ A better understanding of the impact and identification of a more measured approach that will benefit American jobs without driving cost up in the American oil and gas industry is warranted. A decision without the proper analysis could have the opposite desired effect; negatively impact the American oil and gas industry\'s competitiveness and job market.

\_\_\_ Independent studies have indicated that the proposed modifications and revocations are expected to have a wide range of repercussions on American oil and gas production in the Gulf of Mexico, but also supported employment, gross domestic product, as well as government revenue. \_\_\_ If the proposed changes are accepted, cumulative spending on offshore oil and natural gas development in the Gulf of Mexico OCS will decrease in the range of \$5.4 billion (15 percent) per year. With the decreased spending come the loss of 30 thousand jobs in 2017 and an average decreased employment of over 80 thousand jobs from 2017 to 2030. \_\_\_ Altering the Jones Act in this way would also mean an average loss of \$1.9 billion of government revenue per year from 2017 to 2030, placing additional strain on already overly burdened government budgets to maintain public projects and works. \_\_\_ Once again, I urge you to reject the CBP\'s proposed modifications and revocations related to the use of Jones Act. \_\_\_ Sincerely, Russell Schmidt 8316 Cedarbrake Dr Houston, TX 77055-4824

THE LAW OFFICE OF  
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March 15, 2017

601-16

Via e-mail: [response@CBP.DHS.gov](mailto:response@CBP.DHS.gov)

Re: Closing Jones Act Loopholes/Revocation of Letter Rulings  
Transportation of Goods from OCS Structures to Shore

Dear Sir or Madam:

I represent Versamarine, L.L.C., a company which owns a U.S. Flag, Jones Act compliant vessel which performs heavy lifts in the Gulf of Mexico on the outer Continental Shelf. We have read in several industry publications that U. S. Customs and Border Protection is in the process of closing loopholes in the Jones Act, 46 U.S.C. § 55102. We are familiar with the letter rulings that CBP proposes revoking and wish to advise that we strongly support the revocation of them all. We would also like to briefly address in this comment an additional loophole supported by certain letter rulings and seek your assistance in having it closed.

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plugged and abandoned (but where the production facilities have not been fully decommissioned as specified under the Bureau of Safety and Environmental Enforcement "BSEE" rules and regulations), to other U.S. points, which is a clear violation of the Jones Act.

Under the Jones Act, a foreign flag vessel may not transport goods from one U.S. point to another. Customs and Border Protection uses the BSEE regulations to determine whether a structure on the outer Continental Shelf is a point for purposes of the Jones Act, but uses the wrong regulations/criteria, both logically and according to the Federal Courts. A permanently or temporarily affixed structure on the outer Continental Shelf used to explore for, to develop or to produce resources is considered a point, thereby making the offshore production facility a point. When the deck of a platform on the outer Continental Shelf is removed and transported to shore (the U.S. shore is clearly a point) from an offshore location, when the well has been permanently plugged and abandoned pursuant to BSEE regulations, but the platform remains subject to BSEE's oversight, such is a violation of the Jones Act. A well/facility cannot be considered decommissioned until after the platform (deck and jacket) is removed, and additional activities such as underwater site clearance (removing any seabed debris) is performed.

It is beyond dispute that the U.S. shore represents a point and transportation of the deck to the shore is transportation to a coastwise point. The loophole, of which foreign vessels routinely take advantage, is the argument that because the well has been permanently plugged and abandoned, the facility/structure is no longer a point, even though it is still subject to BSEE's oversight including important pollution and safety issues and also financial requirements. We believe it is logical and in keeping with the purposes of the Jones Act, that every platform engaged in mineral production on the outer Continental Shelf remains a point for purposes of the Jones Act until the facility/well is at least decommissioned and no longer under BSEE's control.

The Federal Courts are even stronger on this issue. In *Tetra Technologies, Inc. v. Continental Insurance Company*, 814 F.3d 733 (5<sup>th</sup> Cir. 2016), the Fifth Circuit held, as recently as last year, that the Outer Continental Shelf Lands Act even applies to a “decommissioned oil production platform.” (“Because this dispute in this case stems from events that occurred in the Gulf of Mexico above the outer Continental Shelf (“OCS”), OCSLA applies.”) *Id.* 814 F.3d at 737-738.

In *Cutting Underwater Technologies USA, Inc. v. Con-Dive, LLC* 2011 WL 1103679 (E.D.La. 2011), affirmed 671 F.3d 512 (5<sup>th</sup> Cir. 2012), Judge Fallon held that the Outer Continental Shelf Lands Act applied to a structure until the full range of decommissioning activities were performed, which include removal of the platform:

This shift in terminology is telling. Indeed, it appears to reflect the recognition that depleted wells that are attached to a production platform are not properly abandoned until the full range of decommissioning activities – including the plugging of the wells and the removal of the platform – is carried out and that, accordingly, it would be inaccurate and confusing to use term “permanent abandonment” to denote only one aspect of the decommissioning process.

*Id.* at \*10 (Emphasis added.)

Initially, the Federal Court had jurisdiction over the case because the OCSLA applied to the “plugged and abandoned well.”

In affirming the district court, the Fifth Circuit stated, “The district court authored a thorough and well-reasoned opinion concerning the substantive issues presented, which we attach and adopt as the opinion of this court.” *Id.* 814 F3d at 733.

Under the regulations, the well is not decommissioned until the Lessees:

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March 15, 2017

Page 4

- (2) Clear the seafloor of all obstructions created by activities on [the] lease . . .

30 C.F.R. V. B § 585.902.

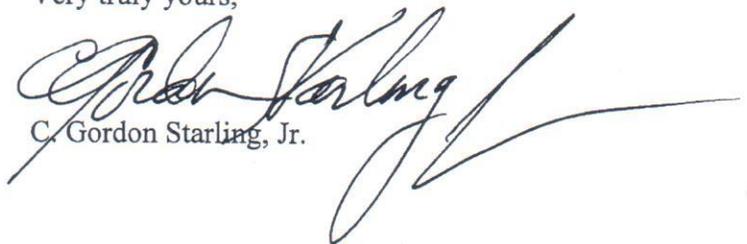
The Federal Courts' opinions are the law and clearly take precedent over Customs and Border Protection "letter rulings," many which are in the process of being revoked as they created loopholes in the Jones Act.

Accordingly, the transportation of any part of the structure by a non-Jones Act compliant vessel to the shore is a clear violation of the Jones Act.

In summary, the Jones Act is a statute meant to foster the employment and use of American workers, equipment and companies and accordingly should be read broadly to effectuate those purposes and not with loopholes to thwart the statute's aims.

Please do not hesitate to contact me should you have any questions or need any additional information. Thank you for your assistance.

Very truly yours,



C. Gordon Starling, Jr.

CGS/lbi

601-16\ltr\Shore letter to Customs & Border Protection

**MCNICKLE, SASHA W**

---

**From:** Will Hall <will58y@netscape.net>  
**Sent:** Monday, April 17, 2017 1:00 PM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am writing today to strongly urge you to REJECT the Customs and Border Protection (CBP) Agency's proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_\_ The proposed modifications and revocations will have a wide range of repercussions on American oil and gas production in the Gulf of Mexico, but also supported employment, gross domestic product, as well as government revenue. My Family strongly needs this work to survive. \_\_\_ If the proposed changes are accepted, cumulative spending on offshore oil and natural gas development in the Gulf of Mexico OCS will decrease in the range of \$5.4 billion (15 percent) per year. With the decreased spending come the loss of 30 thousand jobs in 2017 and an average decreased employment of over 80 thousand jobs from 2017 to 2030. \_\_\_ Altering the Jones Act in this way would also mean an average loss of \$1.9 billion of government revenue per year from 2017 to 2030, placing additional strain on already overly burdened government budgets to maintain public projects and works. \_\_\_ It would be a terrible mistake to allow the proposed changes to be adopted. Once again, I urge you to reject the CBP's proposed modifications and revocations related to the use of Jones Act. \_\_\_ Sincerely, Will Hall PO Box 2340 Durango, CO 81302-2340

DISTRICT OFFICES

355 S. WASHINGTON STREET  
DANVILLE, IN 46122  
(317) 718-0404  
(317) 718-0405 (FAX)

230 N 4TH ST, ROOM 222  
LAFAYETTE, IN 47901  
(765) 838-3930  
(765) 838-3931 (FAX)



Congress of the United States

House of Representatives

Washington, DC 20515

April 6, 2017

TODD ROKITA  
4TH DISTRICT, INDIANA

COMMITTEE ON THE BUDGET  
VICE-CHAIRMAN

COMMITTEE ON EDUCATION  
AND THE WORKFORCE

COMMITTEE ON TRANSPORTATION  
AND INFRASTRUCTURE

ROKITA.HOUSE.GOV

Mr. Glen E. Vereb  
Director, Border Security and Trade Compliance Division  
Office of Trade, Regulations and Rulings  
U.S. Customs and Border Protection  
90 K Street, NE  
Washington, DC 20229

Re: **Request for expeditious implementation of Proposed Modification and Revocation of Ruling Letters Related to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment between Coastwise Points**

Dear Mr. Vereb:

I strongly support Custom and Border Protection's (CBP) proposal to ensure the proper interpretation and enforcement of the Nation's coastwise trade laws for vessel transportation activities on the Outer Continental Shelf ("OCS") of the United States. The proposed Notice published January 18, 2017 in the *Customs Bulletin* will restore the legally-intended application of the Jones Act to offshore transportation activities, and will allow continued development of our country's natural resources while providing deserved employment opportunities for hardworking Americans on the OCS.

Using the specific CBP ruling letter procedures established by Congress, CBP proposes to modify and revoke identified agency ruling letters in order to restore the proper offshore application of the Jones Act for the coastwise transportation of merchandise. Coastwise laws of the United States were enacted by the First Congress in 1789 to ensure that our Nation had available vessels with qualified U.S. mariners to meet its sealift requirements as well as modern shipbuilding facilities vital to national and economic security. As required by the Jones Act, the Customs proposal to properly limit the coastwise transportation of merchandise on the OCS to U.S. crewed, U.S. built, U.S. owned, and U.S.-flagged vessels is a very positive step for the continued development and operation of our U.S. merchant marine industry.

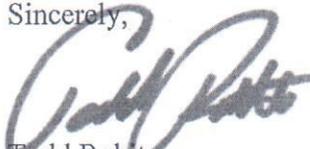
Unfortunately, CBP had previously issued flawed "letter rulings" that improperly allowed foreign-flag ships with foreign crews to conduct certain merchandise transportation operations on the OCS that by law should have been conducted by American vessels with American crews. The result has been the loss of thousands of American jobs in the Gulf of Mexico to foreign workers operating in our own waters for the development of our own oil and gas resources.

Following CBP's first revocation and modification notice on this matter in 2009 and further legal review since then, CBP is now ready to take proper action to revoke flawed letter rulings that are not in conformance with the law. Thus, CBP will restore those coastwise transportation operations to American vessel companies with jobs for trained American citizens that for too long had not been required for them.

There are numerous American-built and owned coastwise qualified vessels with U.S.-citizen mariners that are ready, willing and able to perform the Jones Act-required transportation functions on the OCS. In fact, since the first 2009 notice from CBP, American ship owners have invested over \$2 billion in Jones Act vessels to perform this work in expectation of the eventual revocation and modification of erroneous ruling letters.

On behalf of the U.S.-flag maritime industry and its American mariners, and in support of our country's national and economic security, I strongly urge CBP to finish what it started by restoring the proper application of the Jones Act and finalizing the modification and revocation of the CBP ruling letters as set forth in the CBP Notice.

Sincerely,

A handwritten signature in dark ink, appearing to read "Todd Rokita". The signature is stylized and cursive, written over the printed name.

Todd Rokita  
Member of Congress/pr

## MCNICKLE, SASHA W

---

**From:** Steven Fausett <s.j.fausett@gmail.com>  
**Sent:** Monday, April 17, 2017 3:21 PM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: Sometimes, in attempting to do a good thing, we cause unexpected consequences. I voted for President Trump, and I generally support his administrations actions to date! HOWEVER, In attempting to strengthen the Jones Act, There is significant likelihood that it will, in fact, impact the American consumer, American business interests, and foreign businesses employing US-based staff negatively. \_\_\_ There are many excellent reasons why non-US vessels provide support to US Gulf of Mexico deepwater facilities. While these may not be \"National Defense-based\" they are certainly economically impactful! \_\_\_ For example, moving a platform from a US coast construction site to a deepwater location requires a specialized transport ship. There are only a few in the world, and are not US-flagged. These ships can cost hundreds of millions of dollars to build and equip (possibly \_ \$1 Billion, in some cases). There would not be a market in the US Gulf to keep a US-flagged vessel economically employed in that specialized activity. \_\_\_ For this reason and other related economic factors, I strongly urge you to REJECT the Customs and Border Protection (CBP) Agency\'s proposed modifications and exemption revocations related to the use of Jones Act vessels in offshore oil and natural gas activities, which was proposed on January 18, 2017. \_\_\_ GDP Revenues from the Gulf will decrease. US-based employment will decrease, as the foreign-flagged vessels cease to come to our ports. Foreign companies will reduce US employees, as they are forced to cease operating in the area. The cost to drill, operate, decommission and properly shut in old wells will increase significantly, driving up consumer gasoline / fuel costs. \_\_\_ Industry experts estimate a loss of \$5.4 billion (15 percent) per year, and loss of 30,000 US jobs in 2017 alone! Another 50,000 jobs would be lost in the succeeding years. \_\_\_ Has the administration recognized that this would reduce tax revenues as well? According to the industry experts, altering the Jones Act this way would mean an average loss of \$1.9 billion of government revenue per year from 2017 to 2030! That is significant, considering the growth projects the current administration wants to support! \_\_\_ I think it is very short-sighted to adopt these Obama-era proposals by the current administration. It would be a mistake! \_\_\_ I urge you to reject the CBP\'s proposed modifications and exemption revocations related to the use of Jones Act. \_\_\_ Sincerely, Steven Fausett 12606 Walther Ct Magnolia, TX 77354-3851



3/31/2017

Via email: [Response@cbp.dhs.gov](mailto:Response@cbp.dhs.gov)

Mr. Glen Vereb  
Director  
Border Security and Trade Compliance Division  
Office of Trade, Regulations and Rulings  
U.S. Customs and Border Protection

**Re: Proposed Modification and Revocation of Ruling Letters Related to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment between Coastwise Points; Request for expeditious implementation of the proposal**

To Whom It May Concern:

Bollinger Shipyards is a private shipbuilding company headquartered in Lockport, Louisiana. Our business was started in 1946 by my grand father Donald Bollinger. We specialize in building/repairing multiple types of vessels for many industries- USCG, USN, offshore supply vessels, tug boats, barges, lift boats, ferries, etc. Our workforce is over 2,000 employees plus hundreds more with our vendor base. The purpose of this letter is to express our support for CBP's proposed modification and revocation of Jones Act letter rulings that are contrary to the statute.

The U.S. shipbuilding industry is vital to our country's national security interests, as well as the provision of meaningful employment to a highly skilled workforce, and the proper interpretation and enforcement of the Jones Act has a direct impact on our shipyard. Since inception, our shipyard has constructed nearly 1,000 Jones Act qualified vessels and CBP's proposal encourages further investment in Jones Act compliant vessels, contrary to the chilling effect that CBP interpretations have had over the past many decades. The current CBP action, and correction of prior erroneous interpretations, is a welcomed development.

From its inception, the Jones Act has been a "Pro-American" statute, grounded firmly in a national defense policy of ensuring domestic shipbuilding and seafaring capacity, and in a national commercial policy of ensuring a strong domestic maritime industry. Our U.S. Congress explained it best in the Jones Act preamble, specifically: "[i]t is the policy of the United States to encourage and aid the development and maintenance of a merchant marine...sufficient to carry the waterborne domestic commerce. . .of the United States." U.S. Department of Defense ("DOD"), Navy, and U.S. Coast Guard officials are among the strongest supporters of the Jones

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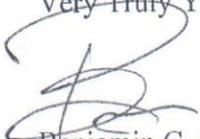
[www.bollingershipyards.com](http://www.bollingershipyards.com)

Act for the contribution it makes to military sealift, all recognizing the critical importance of the statute.

In addition to national security, the prior erroneous interpretations of the Jones Act worked to send American jobs to foreign shipbuilding interests, eliminating tens of thousands of American jobs and billions of dollars of American investment in the process, and the CBP's recent actions serve to correct that path.

CBP's expeditious implementation of the current proposed actions will mean higher American wages, additional American tax revenue, more American economic activity and heightened national security at a time when it is most needed.

Very Truly Yours,



Benjamin G. Bordelon

President and CEO  
Bollinger Shipyards



*April 12, 2017*

Via email: [cbppublicationresponse@cbp.dhs.gov](mailto:cbppublicationresponse@cbp.dhs.gov)

Mr. Glen Vereb  
Director  
Border Security and Trade Compliance Division  
Office of Trade, Regulations and Rulings  
U.S. Customs and Border Protection

**Re: Request for expeditious implementation of the Proposed Modification and Revocation of Ruling Letters Related to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment between Coastwise Points**

Dear Director Vereb:

I am writing to express my strong support for Customs and Border Protection's (CBP) above-listed proposed modification and revocation of Jones Act letter rulings (the "Notice"). These flawed letter rulings are inconsistent with statutory requirements and have constrained economic opportunity for U.S. companies and U.S. workers for too long. Aligning CBP's policy guidance with the law is the right thing to do and the method in which CBP is seeking revocation is the legally correct method for this endeavor.

Green Marine & Industrial Equipment Co., Inc. is based in Metairie, LA, with facilities in Houston, TX, and employs 15 and we serve as a supplier and service provider to U.S. maritime companies working in the offshore energy market. Specifically, our company is engaged in sales and service of environmental equipment.

The Jones Act was intended to support a vibrant U.S. maritime industry. By all accounts, the law works as intended. The Jones Act has created a robust domestic maritime industry and supply chain, one that creates 500,000 jobs, \$100 billion in annual economic output, and \$29 billion annual in wages. In addition, the maritime industry provides \$10 billion in tax revenue to the federal government. Correctly applying and enforcing the Jones Act, will only amplify these benefits, resulting in more opportunities for companies like mine who depend on a strong U.S. maritime industry.

Additionally, we note that CBP is correct to revoke the letter rulings covered by the Notice via the process found at 19 U.S.C. 1625(c) ("Section 1625"). This process provides for a fair

process while allowing revocation take place in an expedited fashion. The letter rulings were originally issued by CBP without any consideration of the economic harm they would cause to the domestic maritime community or businesses like ours. As a result, our industry has experienced decades of delayed shipbuilding in U.S. shipyards and lost employment of U.S. mariners.

As such, the consideration and comment that opponents of revocation have received under the current process, far exceeds absolute lack of due process provided when these letter rulings were issued. Thus, we believe the current process to be more than fair. It is also worth noting that the notice, comment, consideration, final notice process being utilized for the Notice is being conducted after CBP has considered this issue for eight years.

Not only is the Section 1625 process fair, it is also the legally designated process for revocation of letter rulings. Congress has mandated by statute a unique process for CPB's revocation of a letter ruling under Section 1625. Specifically, under this statute, CBP must give notice in the *Customs Bulletin* of its intent to revoke and provide at least 30 days opportunity for comment by the public. Subsequently, CBP must publish its final decision within 30 days of the close of the comment period. This final ruling or decision "shall" become effective 60 days after the date of its publication.

The U.S. Court of Appeals for the Federal Circuit has confirmed that 19 U.S.C. § 1625 is the proper procedure for revoking prior letter rulings. Specifically, the court state in a case (*California Indus. Prods. v. United States*, 436 F. 3d 1341, 1356 (Fed. Cir. 2006)) containing a similar context:

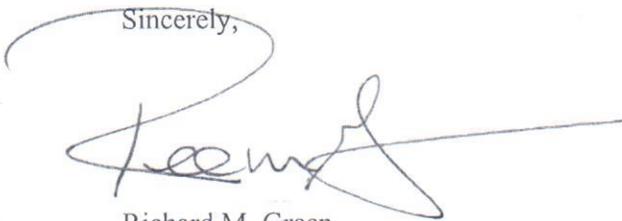
The government argues that the interpretation of "substantially identical transactions" in section 1625(c) adopted by the Court of International Trade conflicts with the Secretary's power to promulgate binding regulations. Under such an interpretation, the government states, the Secretary will be forced to follow "treatments" established by what it terms "aberrant decisions" of Customs officers. We do not agree... [c]ontrary to the government's argument, the interpretation of "substantially identical transactions" that we think is correct does not limit the Secretary's authority to change a prior "treatment." It simply requires that the Secretary utilize notice and comment procedures under 19 U.S.C. § 1625(c) before doing so.

Considering the above information, CBP's Notice ensures that the law is followed as written, will promote the U.S. industrial base as intended by the Jones Act, was completed after thoughtful consideration and provides ample amount for comments from all impacted parties, and was conducted under the legally prescribed process. As such, our company strongly supports the Notice and urges CBP to implement this notice in an expedited manner.

We thank you for your thoughtful consideration of this request and stand ready to answer any questions you may have.

Thank you for taking this corrective action.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard M. Green", with a long horizontal flourish extending to the right.

Richard M. Green



Franklin Offshore Americas, Inc.

April 17, 2017

Via email: [cbppublicationresponse@cbp.dhs.gov](mailto:cbppublicationresponse@cbp.dhs.gov)

Mr. Glen Vereb  
Director  
Border Security and Trade Compliance Division  
Office of Trade, Regulations and Rulings  
U.S. Customs and Border Protection

**Re: Request for expeditious implementation of the Proposed Modification and Revocation of Ruling Letters Related to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment between Coastwise Points**

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Franklin Offshore Americas is based in Brookshire, Texas (Houston, Texas area) and we serve as a supplier and service provider to U.S. maritime companies working in the offshore energy market. Specifically, our company is engaged in providing mooring and lifting products and services.

The Jones Act was intended to support a vibrant U.S. maritime industry. By all accounts, the law works as intended. The Jones Act has created a robust domestic maritime industry and supply chain, one that creates 500,000 jobs, \$100 billion in annual economic output, and \$29 billion annual in wages. In addition, the maritime industry provides \$10 billion in tax revenue to the federal government. Correctly applying and enforcing the Jones Act, will only amplify these benefits, resulting in more opportunities for companies like mine who depend on a strong U.S. maritime industry.

Additionally, we note that CBP is correct to revoke the letter rulings covered by the Notice via the process found at 19 U.S.C. 1625(c) ("Section 1625"). This process provides for a fair process while allowing revocation take place in an expedited fashion. The letter rulings were originally issued by CBP without any consideration of the economic harm they would cause to the domestic maritime community or businesses like ours. As a result, our industry has experienced decades of delayed shipbuilding in U.S. shipyards and lost employment of U.S. mariners.

As such, the consideration and comment that opponents of revocation have received under the current process, far exceeds absolute lack of due process provided when these letter rulings were issues. Thus, we believe the current process to be more than fair. It is also worth noting that the notice, comment,



consideration, final notice process being utilized for the Notice is being conducted after CBP has considered this issue for eight years.

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The government argues that the interpretation of "substantially identical transactions" in section 1625(c) adopted by the Court of International Trade conflicts with the Secretary's power to promulgate binding regulations. Under such an interpretation, the government states, the Secretary will be forced to follow "treatments" established by what it terms "aberrant decisions" of Customs officers. We do not agree... [c]ontrary to the government's argument, the interpretation of "substantially identical transactions" that we think is correct does not limit the Secretary's authority to change a prior "treatment." It simply requires that the Secretary utilize notice and comment procedures under 19 U.S.C. § 1625(c) before doing so.

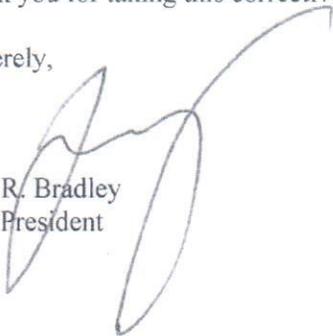
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We thank you for your thoughtful consideration of this request and stand ready to answer any questions you may have.

Thank you for taking this corrective action.

Sincerely,

John R. Bradley  
Vice President

A handwritten signature in black ink, appearing to read "John R. Bradley", is written over the typed name. The signature is fluid and cursive, with a long, sweeping line extending from the end of the name towards the top right of the page.



**RYAN SITTON**  
TEXAS RAILROAD COMMISSIONER

April 17, 2017

Kevin K. McAleenan  
Commissioner (Acting)  
U.S. Customs and Border Protection  
1300 Pennsylvania Ave. NW  
Washington, DC 20229

Dear Acting Commissioner McAleenan,

I am writing regarding a proposal by U.S. Customs and Border Protection (CBP) that would significantly impact the offshore oil and natural gas industry. The Notice is styled as "Proposed Modification and Revocation of Ruling Letters Relating to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment Between Coastwise Points," 51 Customs Bulletin 3 at 1 (Jan. 18, 2017). This proposal is one of many issued by President Barack Obama's administration during the waning days of his presidency, and could have immediate and detrimental impacts to Texas' offshore oil and gas industry, and our Gulf Coast economy.

At its core, this proposal is an attempt to revise or eliminate decades-old interpretations of rules for vessels transporting specialized equipment used by the offshore oil and gas industry. The industry has built its framework around the precedents CBP is attempting to undo, and rescinding the interpretations could result in an immediate reduction of offshore oil and gas activity, which is bad for America. As a statewide oil and gas regulator for the largest oil and gas producing state in the country, I am incredibly disappointed that CBP has sought to make these changes without providing stakeholders the opportunity to participate in a formal notice-and-comment administrative proceeding.

The need for a full vetting of this proposal in a formal rulemaking proceeding, if CBP persists in its desire to make these changes, is made clear by CBP's own words. In their above referenced Notice, CBP couldn't even provide a comprehensive list of all the interpretations they were changing. They state in the Notice:

**CBP recognizes that its list of rulings and decisions referenced above in this notice may not be complete and other rulings may exist which have not been identified** but which are inconsistent with this notice. Accordingly, this notice is intended to cover any ruling which pertains to whether certain articles transported on vessels are considered vessel equipment pursuant to T.D. 49815(4). CBP also intends to revoke and/or modify all other previously issued ruling letters with findings that are inconsistent with this notice. *(Emphasis added)*

If the regulatory body making changes cannot even provide a comprehensive list of the things it is changing that is a disservice to the public and industry. I am hopeful the days of regulatory fiat at the federal level are over and that this process will open up to stakeholders impacted by the contemplated changes.

Additionally, according to a report published by the American Petroleum Institute (API), the impacts of this proposal could include:

- Loss of nearly 30,000 industry supported jobs in 2017 with as many as 125,000 jobs lost by 2030. The Gulf of Mexico states will be the most impacted by these job losses;
- Decrease in U.S. oil and natural gas production by 23% from 2017-2030;
- Decrease in government revenue by \$1.9 billion per year from 2017-2030;
- Decrease of \$5.4 billion per year on Gulf of Mexico offshore oil and natural gas spending; and
- Cumulative lost GDP of \$91.5 billion from 2017-2030.

We know that what we do in Texas in the oil business reverberates around the world and that Texas accounts for roughly 36 percent of total U.S. crude oil production. For a Gulf Coast state where oil and gas account for 30 percent of the economy, these proposed changes could be particularly devastating to our jobs, businesses and investment.

President Donald Trump has made clear his vision for U.S. energy security. Both his America First Energy Plan and Energy Independence Executive Order prioritize onshore and offshore energy production and recognize America's unique opportunity to lead the world in energy development. President Trump has also made clear his intention to repeal regulatory actions "that unduly burden the development of domestic energy resources." It is evident that the CBP proposal directly conflicts with our President's plan for national energy security.

If needed, we can provide more information and details to demonstrate the adverse impacts of this proposal to the oil and gas industry and our Gulf Coast states. I am hopeful that CBP will withdraw this proposal and adhere to President Trump's call to eliminate burdensome, unnecessary federal regulation. Should CBP ignore our President's energy agenda, we urge you to use a formal notice-and-comment administrative proceeding governed by the Administrative Procedure Act to ensure that all stakeholders can participate in the process.

If I can answer any questions for you, please do not hesitate to contact my office.

Sincerely,



Ryan Sitton  
Railroad Commissioner  
State of Texas

Cc Via Electronic Mail:

Glen Vereb, Director, Border Security & Trade, Compliance Division, Office of Trade, U.S.  
Customs and Border Protection  
U.S. Department of Energy Secretary Rick Perry  
United States Senator John Cornyn  
United States Senator Ted Cruz  
Governor Greg Abbott  
Texas Congressional Delegation



17 April 2017  
Serial No.: RDM 17-025

Via email: [cbppublicationresponse@cbp.dhs.gov](mailto:cbppublicationresponse@cbp.dhs.gov)

Mr. Glen Vereb  
Director  
Border Security and Trade Compliance Division  
Office of Trade, Regulations and Rulings  
U.S. Customs and Border Protection

Subject: Proposed Modification and Revocation of Ruling Letters Related to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment between Coastwise Points; Request for expeditious implementation of the proposal

To Whom It May Concern:

VT Halter Marine consists of three (3) shipyards strategically positioned on the Gulf of Mexico in the State of Mississippi. Depending on market fluctuations we employ between 1,000 and 2,200 US Citizens. Shipbuilders are highly skilled professionals and these jobs go a long way to enhance the standard of living for an otherwise economically depressed part of our country. The purpose of this letter is to express our support for CBP's proposed modification and revocation of Jones Act letter rulings that are contrary to the statute.

The U.S. shipbuilding industry is vital to our country's national security interests, as well as the provision of meaningful employment to a highly skilled workforce, and the proper interpretation and enforcement of the Jones Act has a direct impact on our shipyard. Just since 2005, our shipyard has constructed sixty-six (66) Jones Act qualified vessels and CBP's proposal encourages further investment in Jones Act compliant vessels, contrary to the chilling effect that CBP interpretations have had over the past many decades. The current CBP action, and correction of prior erroneous interpretations, is a welcomed development.

From its inception, the Jones Act has been a "Pro-American" statute, grounded firmly in a national defense policy of ensuring domestic shipbuilding and seafaring capacity, and in a national commercial policy of ensuring a strong domestic maritime industry. Our U.S. Congress explained it best in the Jones Act preamble, specifically: "[i]t is the policy of the United States to encourage and aid the development and maintenance of a merchant marine...sufficient to carry the waterborne domestic commerce. . .of the United States." U.S. Department of Defense ("DOD"), Navy, and U.S. Coast Guard officials are among the strongest supporters of the Jones Act for the contribution it makes to military sealift, all recognizing the critical importance of the statute.

In addition to national security, the prior erroneous interpretations of the Jones Act worked to send American jobs to foreign shipbuilding interests, eliminating tens of thousands of American jobs and billions of dollars of American investment in the process, and the CBP's recent actions serve to correct that path.

*Your Trusted Partner*

*The ST Engineering Group*

CBPs expeditious implementation of the current proposed actions will mean higher American wages, additional American tax revenue, more American economic activity and heightened national security at a time when it is most needed.

If you have any questions or comments in regard to this submittal; please do not hesitate to contact me at 228-712-2151 or via email at [p.albert@vthm.com](mailto:p.albert@vthm.com).

Sincerely,



Paul J. Albert  
Chief Executive Officer  
VT Halter Marine, Inc.

File: US Customs and Border Protection

cc: R. Socha  
R. Mullins  
H. Bell

## MCNICKLE, SASHA W

---

**From:** Glen Hill <Glen.Hill@Shell.com>  
**Sent:** Monday, April 17, 2017 6:08 PM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am writing today to strongly urge you to REJECT the Customs and Border Protection (CBP) Agency\'s proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_\_ The proposed modifications and revocations will have a wide range of repercussions on American oil and gas production in the Gulf of Mexico, but also supported employment, gross domestic product, as well as government revenue. \_\_\_ If the proposed changes are accepted, cumulative spending on offshore oil and natural gas development in the Gulf of Mexico OCS will decrease in the range of \$5.4 billion (15 percent) per year. With the decreased spending come the loss of 30 thousand jobs in 2017 and an average decreased employment of over 80 thousand jobs from 2017 to 2030. \_\_\_ Altering the Jones Act in this way would also mean an average loss of \$1.9 billion of government revenue per year from 2017 to 2030, placing additional strain on already overly burdened government budgets to maintain public projects and works. \_\_\_ It would be a terrible mistake to allow the proposed changes to be adopted. Once again, I urge you to reject the CBP\'s proposed modifications and revocations related to the use of Jones Act. \_\_\_ Furthermore, my livelihood depends on the production of oil and gas. It is my family and thousands other like it that would be hampered by this change. It is admirable to try and increase home-grown jobs in the United States; but we should avoid cutting off our nose to spite our face. Thank you for taking the time to consider my request. \_\_\_ Sincerely, Glen Hill 5900 Highway 225 Deer Park, TX 77536-2434

April 12, 2017

The Honorable John F. Kelly  
Secretary  
U.S. Department of Homeland Security  
Washington, DC 20528

Dear Secretary Kelly:

Re: Customs and Border Protection Notice of January 18, 2017 on the Jones Act

It has been brought to my attention that U.S. Customs and Border Protection (“CBP”) has issued a Notice through what is known as its *Customs Bulletin* ruling revocation process which if implemented would overturn 40 years of precedent with respect to the application of the Jones Act to vessels and offshore facilities working in the Gulf of Mexico (“GOM”). This ruling, rushed into print two days before President Trump was inaugurated, will have a substantial detrimental effect on jobs and workers in my community. For this reason, I am requesting that you withdraw this ruling because of the huge negative economic impacts on my family, my community and the State of Texas.

There are a number of companies in Houston that rely on highly specialized work to support the oil and gas industry in the GOM. These are American companies employing American workers and paying U.S. federal and state taxes. If the CBP ruling were allowed to go into effect, these companies would have to move out of my district/port/state and go where they can find jobs. This would not only have a negative economic effect on my city but it would also have a negative economic effect on the U.S. and the President’s goals for energy independence.

The companies in my community own, operate and invest their own resources in very large vessels that conduct highly specialized activities to support offshore oil and gas projects, including pipe-laying, cable-laying, diving support and heavy-lift crane construction and installation work. While the vessels may be built in foreign shipyards, the workers on these vessels are hard-working Americans who only want to live and contribute to the economy in my community.

In conclusion, I urge DHS and CBP to withdraw the CBP Notice immediately, and should you desire to pursue this issue, that you start over with a the proper process under Notice and Comment rulemaking published in the Federal Register so that all affected companies and communities are able to provide their considered input and require CBP to conduct a full economic impact analysis of the effects of their proposal.

Sincerely,

Brandon Gray

Cc: The Honorable John Cornyn, U.S. Senator  
The Honorable Ted Cruz, U.S. Senator

**MCNICKLE, SASHA W**

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**From:** jack clayton <jcbogg@aol.com>  
**Sent:** Monday, April 17, 2017 6:57 PM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am writing today to strongly urge you to REJECT the Customs and Border Protection (CBP) Agency\'s proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_\_ The proposed modifications and revocations will have a wide range of repercussions on American oil and gas production in the Gulf of Mexico, but also supported employment, gross domestic product, as well as government revenue. \_\_\_ If the proposed changes are accepted, cumulative spending on offshore oil and natural gas development in the Gulf of Mexico OCS will decrease in the range of \$5.4 billion (15 percent) per year. With the decreased spending come the loss of 30 thousand jobs in 2017 and an average decreased employment of over 80 thousand jobs from 2017 to 2030. \_\_\_ Altering the Jones Act in this way would also mean an average loss of \$1.9 billion of government revenue per year from 2017 to 2030, placing additional strain on already overly burdened government budgets to maintain public projects and works. \_\_\_ It would be a terrible mistake to allow the proposed changes to be adopted. Once again, I urge you to reject the CBP\'s proposed modifications and revocations related to the use of Jones Act. \_\_\_ Please stop any thing that puts people out of work. \_\_\_ Sincerely, jack clayton 7444 Dexter Townhall Rd Dexter, MI 48130-9568

17 April 2017

Via email: [cbppublicationresponse@cbp.dhs.gov](mailto:cbppublicationresponse@cbp.dhs.gov)

Mr. Glen Vereb  
Director, Border Security and Trade Compliance Division  
Office of Trade, Regulations and Rulings  
U.S. Customs and Border Protection

**Re: Request for expeditious implementation of the Proposed Modification and Revocation of Ruling Letters Related to Customs Application of the Jones Act to the Transportation of Certain Merchandise and Equipment between Coastwise Points**

Dear Mr. Vereb:

I am writing to express my support for the Customs and Border Protection's (CBP)'s above-listed proposed modification and revocation of Jones Act letter rulings.

Aligning CBP's policy guidance with a more strict interpretation of the law can be perceived either positively or negatively dependent on one's perspective. It is therefore not my intent to pass judgement on previous letter rulings implemented over the last century that the Jones Act has been in effect. Decisions such as these (and including any final ruling on this particular matter) will always be judged based on the clarity afforded by decades of operating under their effects. Instead, I would like to take a perspective that looks forward keeping in mind the original intent of the Act.

In its original form the Jones Act was intended to support a vibrant U.S. maritime industry. The succeeding ruling letter decisions were not made in flagrant disregard of this intent but rather as a practical measure to provide industry stakeholders with services and capabilities that the U.S. industry could not deliver at that time. Ironically, the rulings enacted to support offshore development subsequently relieved the U.S. maritime industry of a certain level of motivation to evolve and grow. Regional vessel owners and operators prospered in further developing their fleets of supply and service vessels while they, like their client base, grew dependent on foreign companies capable of providing larger vessels along with the personnel qualified to operate them.

This, however, no longer reflects the U.S. industry's true capabilities. Despite the unintended consequences noted, the U.S. maritime industry has grown significantly in its capability to evolve and to fulfill the needs of its client base in both current capacity and in the facilities to build assets to satisfy future requirements. The international standardization of personnel training in areas such as dynamic positioning provides a level of assurance of operational aptitude that previously did not exist.

The proposed modification and revocation of ruling letters will not only further promote the strength and vitality of the U.S. offshore fleet and its operating personnel, but will encourage the continued improvement and evolution of the U.S. maritime industry's capabilities through the application and enforcement of the Jones Act as it was originally intended.

Thank you for your time and consideration,



Chad N. Fuhrmann  
Managing Director

**MCNICKLE, SASHA W**

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**From:** Pamela Tetarenko <pam.tetarenko@shell.com>  
**Sent:** Monday, April 17, 2017 8:54 PM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: I am writing today to ask you to please further evaluate all of the impacts of the Customs and Border Protection (CBP) Agency's proposed modifications and revocations related to the use of Jones Act vessels in offshore oil and natural gas activities on January 18, 2017. \_\_\_The safety and environmental quality of US waters is the highest priority, this is not in question at all. Would this proposed modification actually improve the safety and environmental quality of US waters? Would it actually create US jobs? These are very important questions to be addressed and communicated to the American people. \_\_\_Thank you for the opportunity to comment and for your kind consideration. Sincerely, Pamela Tetarenko 1160 Rustling Wind Ln League City, TX 77573-3052

**MCNICKLE, SASHA W**

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**From:** Charles Bubar <Cbubar@aol.com>  
**Sent:** Monday, April 17, 2017 11:21 PM  
**To:** CBP-PUBLICATION RESPONSE  
**Subject:** Oppose any changes to Jones Act

Dear US Customs And Border Protection: Given the needs of our nation's workforce and economy, I STRONGLY ENCOURAGE YOU TO REJECT THE PROPOSED JONES ACT CHANGES the Customs and Border Protection (CBP) Agency's proposed modifications and revocations related to the use of JONES ACT vessels in offshore oil and natural gas activities on January 18, 2017. IT WILL HAVE A VERY NEGATIVE EFFECT ON THE ECONOMY AND OUR FEDERAL AND STATE REVENUES. I HAVE WORKED IN THE OIL INDUSTRY AND I KNOW THE THOUSANDS OF HARD WORKING AMERICAN WORKERS WHO WILL BECOME UNEMPLOYED. The proposed modifications and revocations will have a wide range of repercussions on American oil and gas production in the Gulf of Mexico, but also supported employment, gross domestic product, as well as government revenue. If the proposed changes are accepted, cumulative spending on offshore oil and natural gas development in the Gulf of Mexico OCS will decrease in the range of \$5.4 billion (15 percent) per year. With the decreased spending come the loss of 30 thousand jobs in 2017 and an average decreased employment of over 80 thousand jobs from 2017 to 2030. Altering the Jones Act in this way would also mean an average loss of \$1.9 billion of government revenue per year from 2017 to 2030, placing additional strain on already overly burdened government budgets to maintain public projects and works. It would be a terrible mistake to allow the proposed changes to be adopted. Once again, I urge you to reject the CBP's proposed modifications and revocations related to the use of Jones Act. THANK YOU. Sincerely, Charles Bubar 1126 Parish Park Effort, PA 18330-8149