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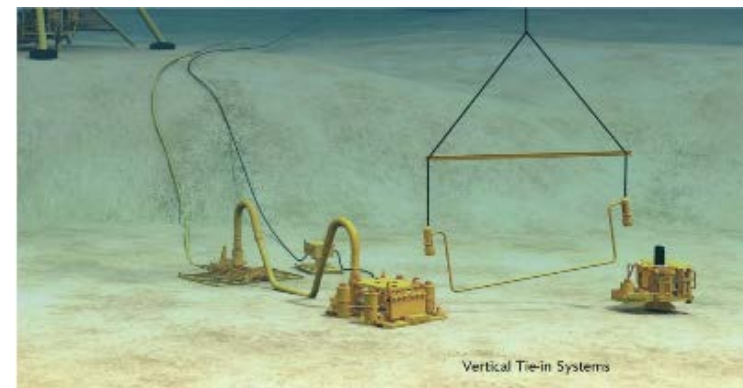
EQUIPMENT OF THE VESSEL: RESTORING COMMON SENSE

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Marine Money
Houston
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SUBSEA CONSTRUCTION VESSELS

Ships that transport and place things on the sea-floor

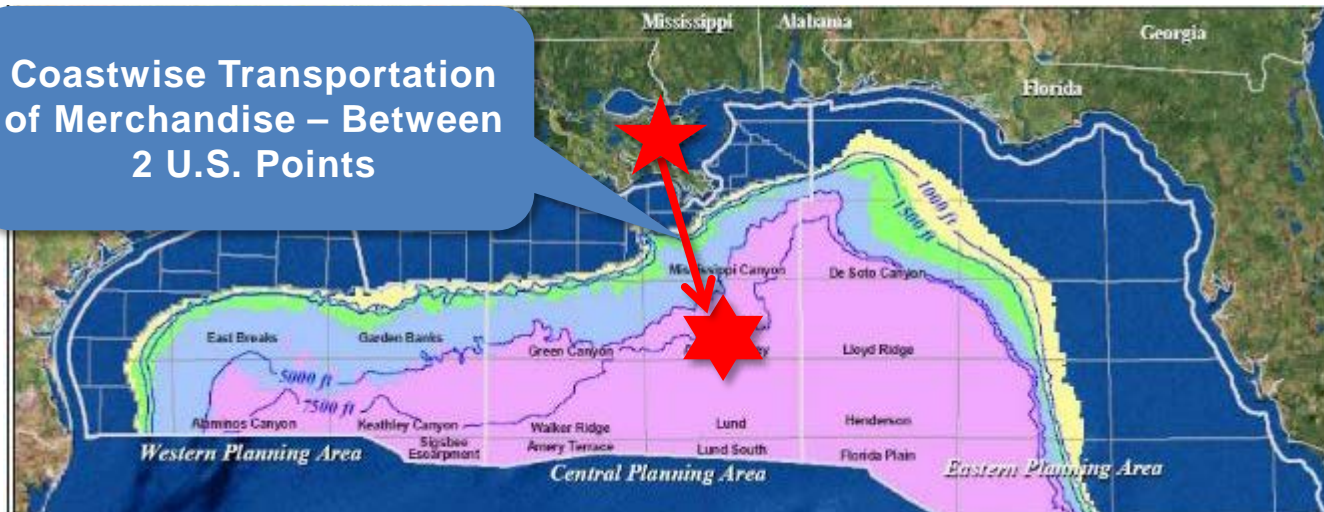


TRANSPORTATION OF MERCHANDISE BETWEEN TWO U.S. POINTS

Jones Act

A vessel may not provide any part of the transportation of **merchandise** by water ... between points in the United States ... unless the vessel...[is a qualified U.S.-flag vessel].... [T]he term “merchandise” includes ... valueless material.

Coastwise Transportation
of Merchandise – Between
2 U.S. Points



OBSERVATIONS

- No definition of “vessel” – it is understood as the vessel that transports the merchandise.
- No mention of “vessel equipment” exception.
- Congress has enacted eight specific exclusions to the Jones Act, known as “Provisos”.

Certain merchandise transferred between barges

- Empty cargo containers, stevedoring equipment
- Platform jackets
- Supplies on a fish processing vessel
- Use of Canadian rail lines
- Great Lakes rail route
- Yukon River transportation
- Certain Alaskan transportation

Note: These are
“Vessel Equipment”

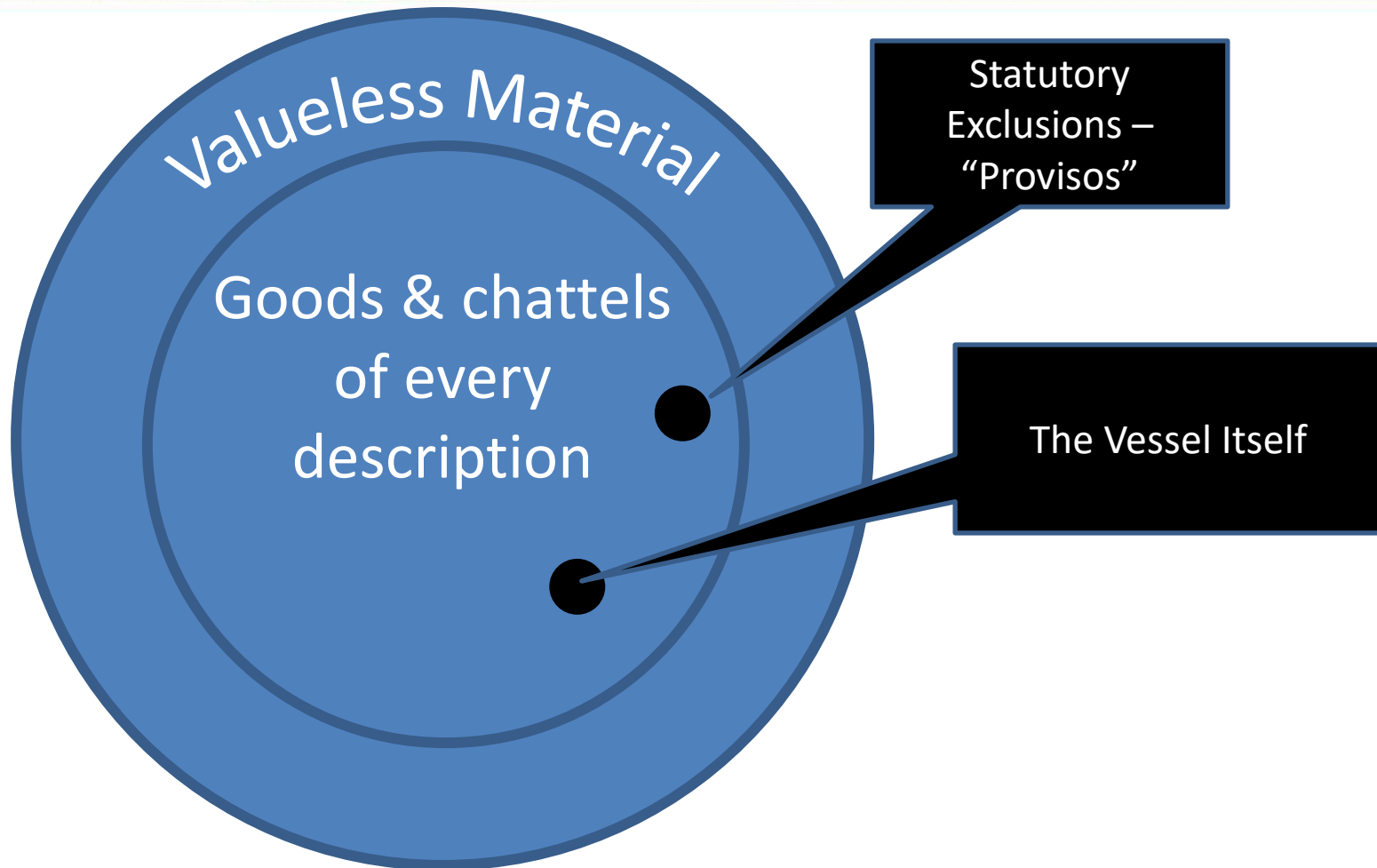
“MERCHANDISE” ACCORDING TO CONGRESS

Goods & chattels
of every
description
Tariff Act 1930

“MERCHANDISE” ACCORDING TO CONGRESS



“MERCHANDISE” & EXCLUSIONS ACCORDING TO CONGRESS



“MERCHANDISE” & EXCLUSIONS ACCORDING TO CONGRESS

MERCHANDISE =

Goods & chattels of every description (1930)

(+)

Valueless Material (1988)

(-)

Statutory Exclusions – “Provisos”

(-)

Vessel Itself

“MERCHANDISE” & CBP SELF-CREATED EXCLUSIONS

MERCHANDISE =

Goods & chattels of every description

(+)

Valueless Material

(-)

Statutory Exclusions – “Provisos”

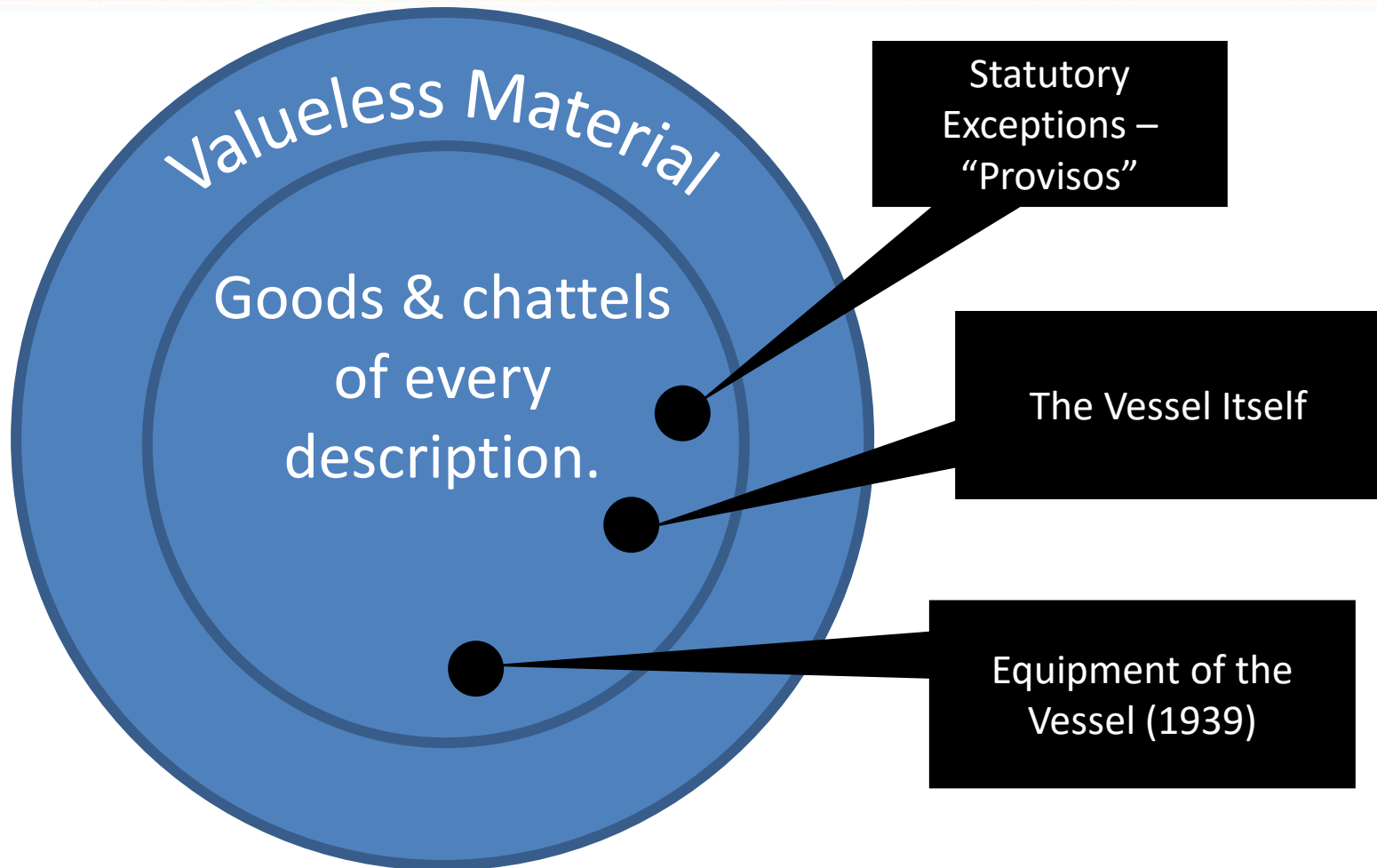
(-)

Vessel Itself

(-)

Vessel Equipment: Equipment Necessary for Operation of the Vessel (1939)

“MERCHANDISE” & CBP SELF CREATED EXCLUSION



“MERCHANDISE” & CBP SELF CREATED EXCLUSIONS

MERCHANDISE =

Goods & chattels of every description

(+)

Valueless Material

(-)

Statutory Exceptions – “Provisos”

(-)

Vessel Itself

(-)

Vessel Equipment: Equipment Necessary for Operation of the Vessel (1939)

(+) Articles Necessary to Accomplishment of the Mission of the Vessel (1976, etc.)



“VESSEL EQUIPMENT” EXCLUSION HAS SWALLOWED “MERCHANDISE”

**“Articles Necessary
to Accomplishment of
the Vessel’s Mission”**

=

Equipment of Vessel

≠

Merchandise

**Equipment of
Vessel**

MISSION ANALYSIS: ANYTHING CAN BE VESSEL EQUIPMENT AND NOT MERCHANDISE

CBP NOTICE

“Headquarters rulings ... imply that certain articles to be installed ... are vessel equipment.... CBP recognizes ... these rulings do not comport with ... the [Jones Act]”.



MERCHANDISE VS. VESSEL EQUIPMENT

CBP NOTICE RESTORES COMMON SENSE





Questions?