

International Marine Contractors Association

Improving performance in the marine contracting industry $% \left(\mathbf{r}\right) =\left(\mathbf{r}\right)$

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October 25, 2019

President Donald J. Trump The White House 1600 Pennsylvania Avenue, N.W. Washington, DC 20500

Mr. President:

We write on behalf of the International Marine Contractors Association ("IMCA")¹ to express our appreciation for your continued strong support of the development of the United States' vast energy resources and to specifically ask for your support for the initiative recently taken by the U.S. Customs and Border Protection ("CBP") to publish a proposal to clarify issues critical to the U.S. offshore industry.

In this regard, your Executive Order on "Promoting Energy Independence and Economic Growth" clearly represents positive steps toward accomplishing key U.S. goals in the area of offshore energy resources by promoting clean and safe development of the Nation's vast energy resources while avoiding regulatory burdens that encumber energy production, constrain economic growth, and prevent job creation.

Indeed, due in much part to the hard work of the countless Americans working on the U.S. Outer Continental Shelf ("OCS") over a period of many years, the U.S. is now the world's leading producer of oil and natural gas, surpassing Saudi Arabia and Russia, and is poised to be a net energy exporter in the next decade. The U.S. OCS provides about 1.9 million barrels of oil per day accounting for approximately 16% of all domestic oil production and about 3% of total U.S. natural gas production. The U.S. OCS is estimated to contain some of the greatest quantities of undiscovered oil and natural gas resources and is expected to play an essential role in domestic energy production and economic prosperity for many decades to come — and including most recently the technical advances and investment being made in the nascent U.S. offshore wind market on the OCS.

Unfortunately, many of the rulings issued by CBP over the years have created uncertainty and deterred offshore development to the detriment of fostering economic growth, using U.S. assets, advancing more jobs for U.S. citizens, and achieving energy independence. To address these issues, industry has been working with CBP over the last two years to remedy these problems and has urged CBP to propose certain changes.

CBP has answered the bell to this calling in the form of this proposal. To this end, we have conducted a preliminary review of CBP's recent proposal and have confirmed it will efficiently and effectively provide solutions to the two key issues adversely impacting the U.S. offshore industry. The proposal, when implemented, will remedy previously erroneous interpretations of what is equipment of the vessel and merchandise, and what is transportation and not transportation of merchandise in the interest of the United States.

For these reasons, we fully support CBP in moving forward and implementing this proposal and we will be providing formal comments within the 30-day comment period in support of this proposal. We urge you and your Administration to fully support this initiative for all the reasons discussed herein to assure continued economic growth and energy independence for the United States. Accordingly, we hope that you will join us in our support of CBP's proposal.

Yours sincerely

Allen Leatt Chief Executive

¹ IMCA is the largest international trade association representing offshore marine companies supporting energy related projects worldwide. The U.S. Gulf of Mexico is a key market in the oil and gas industry and IMCA is represented along the entire Gulf Coast by the biggest players in the business. The 10 top-tier members alone employ approximately 8,000 skilled people in the U.S. onshore in 70+ offices and facilities and over 1,000 American seafarers. These are American workers in American jobs paying U.S. Federal and State taxes.