OSG

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Robert N. Cowen
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Docket Management Facility
U.S. Department of Transportation
400 Seventh Street, S.W., Rm. PL-401
Washington, D.C. 20590-0001

Re: Vessel Documentation; Lease Financing for Vessels Engaged in the Coastwise Trade; Docket No. USCG-2003-14472 & MARAD-2003-15171

Ladies and Gentlemen:

Overseas Shipholding Group, Inc. ("OSG") hereby submits its comments to the above-referenced Joint Notice of Proposed Rulemaking.

OSG is one of the largest tanker companies in the world with a fleet of over 55 vessels aggregating over nine million deadweight tons. We are the only major international tanker company that is domiciled in the U.S. We have been a leading Jones Act owner and operator since the inception of our Company. We are committed to expanding our U.S. Flag business, as evidenced by our recent acquisition of two additional U.S. Flag products carriers.

OSG supports the efforts of the Coast Guard and the Maritime administration to protect the integrity of the Jones Act. The Jones Act is an important pillar of U.S. maritime policy and must be protected and maintained.

OSG recognizes the concerns of persons who believe that the Lease-Finance Law should not be utilized as a Jones Act "loophole". OSG shares those concerns. However, at the same time OSG recognizes that BP has invested in the construction of four modern crude oil tankers in the U.S. in reliance upon existing regulations and interpretations under the 1996 Lease Finance Exception. BP has agreed that Alaska Tanker Company LLC, a U.S. citizen company jointly owned by OSG, Keystone Shipping and BP, will operate these vessels. As long as these vessels must be operated by a U.S. citizen operator, we believe that it is appropriate to grant BP the right to own these vessels and to use them in the Alaskan trade. Accordingly, we support a regulation under the Lease Finance Exception that would permit continued ownership by BP of these vessels to carry

its cargoes with the understanding that the vessels would be chartered to and operated by a U.S. citizen, ATC.

OSG is grateful to the Coast Guard and MARAD and for their vigilance. The Jones Act should be protected so that it can continue to serve our nation well as it has in the past. Thank you for the opportunity to comment on this important subject.

Sincerely yours,

Robert N. Cowen

RNC/afm