Where maritime tech consolidation is today

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Reuters - By Karen Freifeld



The U.S. sent letters to Enterprise Products and Energy Transfer on Wednesday informing the companies they could load ethane on vessels destined for China but could not unload the ethane at a port in China without authorization, according to a person familiar with the matter and copy of one letter.

The letters from the U.S. Department of Commerce follow earlier notifications to the companies that imposed a license requirement on exports of ethane to China.

The companies are highly unlikely to risk loading the ethane on vessels and sending them on their way, the person familiar with the matter said. If the vessel makes its way to China, it may be difficult to stop its offloading and the companies risk penalties of up to twice the value of the ethane.

"This letter authorizes Enterprise Products to load vessels with ethane, transport and anchor in foreign ports, even if...to a party located in China," the letter said. "However, Enterprise Products may not complete such export...to a party that is located in China..without further BIS authorization."

Enterprise Products and Energy Transfer did not immediately respond to requests for comment.

The U.S. Department of Commerce also did not immediately respond to a request for comment.

The ability to load and begin transporting ethane could relieve congestion at ports like those near Houston, where vessels have stalled amid restrictions on shipping the product to China.