

U.S. Shipping Partners L.P.
Form 4
August 09, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Sterling/US Shipping L.P.

(Last) (First) (Middle)

C/O STERLING INVESTMENT PARTNERS L.P., 285 RIVERSIDE AVENUE

(Street)

WESTPORT 06880

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
U.S. Shipping Partners L.P. [USS]

3. Date of Earliest Transaction
(Month/Day/Year)
08/07/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount or Price		
Common units representing limited partner interests	08/07/2006		P		41,174 A \$ 18.34	41,174	D
Class B convertible units (2)	08/07/2006		P		99,531 A \$ 17.12	99,531	D
Common units						899,968	I See footnote

representing limited partner interests			(1)
Subordinated units	0	(1) (3) (4)	I See footnotes (1) (3) (4)
General partner interest	0	(1) (4) (5)	I See footnotes (1) (4) (5)
Incentive distribution rights	0	(1) (4)	I See footnotes (1) (4)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sterling/US Shipping L.P. C/O STERLING INVESTMENT PARTNERS L.P. 285 RIVERSIDE AVENUE WESTPORT 06880		X		

Signatures

By: Sterling Investment Partners Management LLC, its general partner By: M. William Macey, Jr., Member

08/07/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Sterling/US Shipping L.P, by virtue of its right to elect a majority of the Board of Shipping Master, may be deemed to beneficially own the securities of the Issuer owned by Shipping Master. Sterling/US Shipping L.P. disclaims beneficial ownership of the securities owned by Shipping Master other than the securities attributable to its membership in Shipping Master. This report shall not be deemed an admission that Sterling/US Shipping L.P. is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.

(2) The class B units are subordinate to the common units and, if approved by unitholders, will be converted into common units. The class B units vote as a single class with the common units, except that the class B units are entitled to vote as a separate class on any matters that adversely affects their rights or preferences.

(3) United States Shipping Master LLC ("Shipping Master") owned a 98% limited interest in the Issuer. At the closing of the Issuer's initial public offering of common units ("Common Units") representing limited partner interests (the "Offering") on November 3, 2004, Shipping Master's 98% limited partner interest was redeemed for \$1,960.

(4) At the Closing of the Offering, each of Shipping Master and Shipping GP agreed to convey certain assets and liabilities to the Issuer and in exchange therefor (a) Shipping Master received 899,968 Common Units, 5,272,341 Class A subordinated units and 1,627,627 class B subordinated units of the Issuer and (b) Shipping GP continued its 2% general partner interest and received incentive distribution rights ("IDRs"), which represent the right to receive an increasing percentage of quarterly distributions in excess of specified amounts. Shipping Master is the indirect beneficial owner of the general partner interest in the Issuer and the IDRs owned by Shipping GP.

(5) Shipping Master owns 100% of US Shipping General Partner LLC ("Shipping GP"), the sole general partner of the Issuer. Shipping GP owns a 2% general partner interest in the Issuer.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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