

## **Notice of Foreign Content Waiver Request – ECO Edison, LLC and Offshore Wind Support, LLC**

**Action:** Notice, request for comments.

**Web posting date:** April 11, 2023.

**Close of public comment period:** 16 days following the web posting date.

**Summary:** The Maritime Administration (MARAD) is seeking comments on whether a waiver of the domestic content requirement set forth in 46 CFR 298.13(b)(2) should be granted to permit the inclusion of certain foreign components in the issuance of Federal Ship Financing Program (“Title XI”) loan guarantees to finance a portion of the construction costs of the service operation vessels (SOVs) by ECO Edison, LLC (“ECO”) and Offshore Wind Support, LLC (“Offshore”) for use in support of offshore windfarm construction and maintenance. Such ship components must be compatible for use in the SOVs, meet the inspection standards of the United States Coast Guard with respect to the operation of U.S.-flag vessels, and meet acceptable marine standards, warranties, and safety requirements of the American Bureau of Shipping (ABS) or other applicable classification society. Domestically manufactured components specified for the construction of a ship may be either unavailable or, if available, cannot be used as a substitute within a system of components that is foreign manufactured.

ECO and Offshore each submitted requests to MARAD to waive the domestic content requirement for the following foreign components necessary for construction of the SOVs pursuant to 46 CFR 298.13(b)(2), as part of their applications for Title XI loan guarantees:

### Marine Propulsion

- a. Propulsion Units that provide magnitude and direction of thrust in a circular disk with movable and controllable blades installed at a 90-degree angle to the disk rotates at the vessel bottom and associated accessories
- b. Diesel Electric Propulsion Generators

### Auxiliary Systems

- a. 3D Motion Compensated Offshore Crane
- b. Bow and Tunnel Thruster(s) and associated accessories
- c. Anti-Heeling Pumps
- d. Vacuum Collection Head System, Bailing Press, Mini Recycle Shredder, & Accessories
- e. Water Mist Fire Suppression and Alarm Systems

### Electric Plant

- a. Power System (main switchboard, distribution panels, VFDs, BTT motors, distribution transformers, generators, EGMS and PMS)

- b. Ship Service Switchboards
- c. Automatic Voltage Regulators, Enhanced Generator Monitoring System, High Resistance Ground, Exhaust Vibration Mounts & Other Electrical accessories
- d. Generator VFD Converters

#### Outfitting and Furnishings

- a. Walk to Work and Boarding Gangways and associated accessories
- b. Helideck, Foam Skid, & accessories
- c. Modular Heads
- d. Joiner Bulkheads and Doors
- e. Marine Furniture
- f. Watertight Doors
- g. Meta Ceiling Panels
- h. Pilothouse and Portlight Windows
- i. 6-Person Rescue Boat
- j. Hose Couplings and Tank Fittings
- k. Heated Straight Line Wipers w/ Wash Nozzles

Each waiver request included the certification required by 46 CFR 298.13(b)(2), stating that the above items are either not available in the United States on a timely or price-competitive basis or the domestic item or service is not of sufficient quality. MARAD's Office of Shipyards and Marine Engineering (OSME) reviewed the foreign components in the waiver requests and validated that such requests satisfied the Title XI regulatory requirements for the requested foreign costs. Additionally, MARAD recently posted a request for information on foreign components in the Federal Register (FR #2023-04352) that included the aforementioned components and no domestic manufacturers were identified.

The projects consist of post-delivery financing for the SOVs, which will be the first two constructed in the U.S. for use in the construction, operation, and maintenance of offshore windfarm facilities in the northeast United States. The projects support the LaShip shipyard in Houma, Louisiana, and the Tampa Ship shipyard in Tampa, Florida, the shipyards constructing the SOVs. The approval of the domestic content waivers for the SOVs is necessary to finalize the Title XI loan guarantees for the projects.

MARAD will only consider a domestic content waiver when the conditions in 46 CFR 298.13 have been met. Rather than affirmatively requiring recipients to meet a domestic content standard as a condition of financial assistance, under Section 298.13(b)(2), MARAD excludes from the loan guarantee amount the costs of foreign components and services used in vessel construction unless MARAD grants a waiver for those costs. If the foreign component is available in the U.S. on a timely or price-competitive basis and is of sufficient quality, then MARAD will not approve the inclusion of that cost as part of the financeable cost of a project. MARAD will not consider requests to include costs for foreign components that are a major part of the ship's hull and superstructure.

Comments can be submitted via email at [marinefinancing@dot.gov](mailto:marinefinancing@dot.gov) or by mail: David Gilmore, MARAD Office of Marine Financing, DOT—Maritime Administration, Room W23-324, 1200 New Jersey Ave., S.E., Washington, D.C. 20590.

MARAD Contacts: For questions about the notice: David Gilmore, MARAD Office of Marine Financing, 202-366-5737, or via email at [marinefinancing@dot.gov](mailto:marinefinancing@dot.gov).

## **Public Participation**

### *How do I prepare and submit comments?*

To ensure that your comments are correctly filed, please include the title of this document in your comments.

If you are submitting comments electronically as a PDF (Adobe) File, MARAD asks that the documents be submitted using the Optical Character Recognition (OCR) process, thus allowing MARAD to search and copy certain portions of your submissions.

Please note that pursuant to the Data Quality Act, for substantive data to be relied upon and used by the agency, it must meet the information quality standards set forth in the OMB and DOT Data Quality Act guidelines.

### *How do I submit confidential business information?*

Confidential business information (CBI) is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA) (5 U.S.C. 552), CBI is exempt from public disclosure. If your comments contain commercial or financial information that is customarily treated as private, that you actually treat as private, and that is relevant or responsive to this notice, it is important that you clearly designate the submitted comments as CBI. Please mark each page of your submission that constitutes CBI as “PROPIN” to indicate it contains proprietary information. MARAD will treat such marked submissions as confidential under the FOIA, and they will be exempt from release. In addition, we recommend that you submit at least a summary of the information that is otherwise considered CBI and from which you have deleted any claimed CBI. Any comments MARAD receives which are not specifically designated as CBI will be available to the public.

### *Will the agency consider late comments?*

We will consider all comments received before the close of business on the comment closing date. To the extent possible, we will also consider comments received after that date.

### *How can I read the comments submitted by other people?*

MARAD may make the comments it receives publicly available by posting them to its website after the comment closing date.

## **Privacy Act**

Anyone can request the comments received under a Freedom of Information Act request. For information on DOT’s Privacy Program and compliance with the Privacy Act, please visit <https://www.transportation.gov/privacy>.