

## **Notice of Foreign Content Waiver Request – Crowley SOV I, LLC**

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

**Web posting date:** March 25, 2024

**Close of public comment period:** 15 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 the Federal Ship Financing Program (“Title XI”) loan guarantee to finance a portion of the construction costs of the service operation vessel (SOV) by Crowley SOV I, LLC for use in offshore windfarm construction and maintenance:

### **Main Propulsion**

- a. Thrusters and associated components

### **Navigation Systems**

- a. Dynamic Positioning System and associated components
- b. Electronic Navigation System and associated components
- c. Communications System and associated components

### **Auxiliary Systems**

- a. Gangway and associated components
- b. Deck Winches, Cranes and associated components
- c. Refrigeration, and HVAC System

### **Electric Plant**

- a. Main Switchboard, cabling and associated components
- b. Generators and associated components

### **Outfitting and Furnishings**

- a. Life Rafts, Life Raft Davits and associated components
- b. Joiner Bulkheads, Doors, Ceiling Panels, Floor Coverings, Furnishings, and Insulation (Fire, Thermal)

Such ship components must be compatible for use in the SOV, 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 are often either unavailable or, if available, cannot be used as a substitute within a system of components that is foreign manufactured.

Crowley SOV I, LLC has submitted requests to MARAD to waive the domestic content requirement for the above foreign components necessary for construction of the SOV pursuant to 46 CFR 298.13(b)(2), as part of their application for a Title XI loan guarantee. 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.

The project consists of financing for the SOV, which will provide a cost-efficient solution to servicing and maintaining the emerging U.S. offshore wind energy industry. The vessel will provide comfortable accommodations for technicians to live aboard for weeks at a time and will contain workshops, offices and storage space for spare parts inventory that provide a mobile platform for the maintenance of wind turbines and substations. The project supports the Fincantieri shipyard in Sturgeon Bay, Wisconsin, which is constructing the SOV. The approval of the domestic content waivers for the SOV is necessary to finalize the Title XI loan guarantee for the project.

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.

MARAD will consider all comments received in the initial 15-day comment period during our evaluation of the waiver request. Comments received after this period, but before final determination, will be considered to the extent practicable.

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>.