

## **MADE IN AMERICA WAIVER NOTIFICATION GREAT LAKES DREDGE AND DOCK COMPANY**

### **Summary**

This notice provides information regarding the finding by the Maritime Administration (MARAD) that it is appropriate to grant a waiver of the domestic content requirement set forth in 46 CFR 298.13(b)(2) 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 a subsea rock installation vessel (the “SRIV” or the “Vessel”), by Great Lakes Dredge and Dock Company, LLC (“GLDD”) for use in support of offshore windfarm construction and maintenance. The foreign components, which are incorporated into the SRIV, are necessary for its operation.

### **Background**

#### ***Title XI’s Domestic Content Requirement***

Under Title XI, MARAD provides loan guarantees to assist with construction and/or reconstruction of U.S.-flagged vessels in domestic shipyards, pursuant to the requirements set forth in 46 U.S.C. Chapter 537 and 46 CFR Part 298, including requirements for domestic content in the vessels. Ship components must be compatible for use in a vessel, meet the inspection standards of the United States Coast Guard (“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. However, 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.

MARAD will only consider a waiver of the domestic content requirement 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.

#### ***The Title XI Project and Request for Waiver***

Hull 341 (the Vessel unnamed for now) will be the first SRIV constructed in the U.S. to service the emerging offshore wind farm industry. In support of the Biden-Harris Administration

prioritization of the development of offshore windfarm facilities, MARAD is prioritizing financing of new Jones Act-qualified offshore windfarm vessels. The project consists of financing for the SRIV, which will be used to install scour protection, (a rock placement design) required to stabilize the sea floor on or around marine structures for fixed-bottom foundations on U.S. offshore wind farms.

GLDD submitted a request to MARAD to waive the domestic content requirement for certain foreign components necessary for construction of the SRIV pursuant to 46 CFR 298.13(b)(2), as part of their application for a Title XI loan guarantee. The waiver request included the certification required by 46 CFR 298.13(b)(2), stating that the below 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.

The projects consist of post-delivery financing for the SRIV and supports the Philly Shipyard in Philadelphia, Pennsylvania, the shipyard constructing the Vessel. The approval of the domestic content waiver for the SRIV is necessary to finalize the Title XI loan guarantee for the project.

### ***The Waiver Request***

MARAD reviews waiver requests and certifications as part of its role in evaluating each project's design, construction costs, and the shipyard's ability to construct a Vessel before approval or disapproval of a loan guarantee. MARAD manages the Small Shipyard Grant Program and has regular contact with large and small shipyards and is well-placed to understand the pricing and availability of components required in ship construction. U.S. shipyards commonly source certain specialty parts from foreign sources because there is insufficient demand for them in the U.S. to support domestic businesses that supply them. Additionally, in some cases the components may be available domestically, but they are not designed for use in the marine environment and may compromise the integrity and reliability of the operation of a Vessel.

In its evaluation of the request, MARAD's Office of Shipyards and Marine Engineering (OSME) reviewed the foreign components in the waiver request and validated that each line item satisfied the Title XI regulatory requirements for cost and technical availability through extensive marine industry vendor online resources and substantial professional network connections.

On February 22, 2024, MARAD published a proposed waiver of the Title XI domestic content requirements for certain foreign components of the vessel on the MARAD [Made in America webpage](#) and requested public comment for a period of 15 days. Following that posting, GLDD submitted an updated list of foreign-sourced equipment and on March 25, 2024 MARAD published a supplemental notice, delineating the new items, of the proposed waiver of the Title XI domestic content requirements for certain foreign components of the vessel on the MARAD [Made in America webpage](#) and requested public comment for an additional period of 15 days. Both proposed waiver notices were also posted on [MadeinAmerica.gov](#) and the DOT Made in America page and MARAD received no public comments during either period.

## **Finding on the Waiver**

Based on all the information available to the agency, MARAD concludes that it is appropriate to issue a foreign content waiver for a portion of the construction costs of the SRIV by GLDD, for the following components:

### **Marine Propulsion**

- a. Machinery Control System and associated sensors
- b. Exhaust Gas System

### **Navigation Systems**

- a. Ships Network
- b. Public Address and Intercom system
- c. Master Clock system
- d. Heated Straight Line Wipers w/ Wash Nozzles

### **Auxiliary Systems**

- a. Centrifugal Pumps, Piping and associated components
- b. Compressed Air System and associated components
- c. Steering Gear System, Bow Thruster(s) and associated components
- d. Vacuum Collection System and associated components
- e. Oil Purifiers, Oily Waste Separator, Sludge Davit and associated components
- f. Dredge Pump and associated components
- g. Water Mist, CO<sub>2</sub>, Foam Fire Suppression System and associated components
- h. Potable Water System including heaters, sterilizers and associated components
- i. Impressed Current System, Marine Growth System, and associated components
- j. Deck Machinery, Stern Equipment, Provisions Davit and associated components
- k. Refrigeration, and HVAC System

### **Electric Plant**

- a. Main Switchboard, cabling and associated components
- b. Battery Charger and Distribution Board
- c. Test Panel
- d. Cable Trays

### **Outfitting and Furnishings**

- a. Lighting Systems
- b. Machine Shop Equipment and associated components
- c. Life Rafts, Life Raft and Rescue Boat Davits and associated components
- d. Laundry, Galley Equipment, Plumbing Fixtures and Marine Heads
- e. Joiner Bulkheads, Doors, Ceiling Panels, Floor Coverings, Furnishings, and Insulation (Fire, Thermal)
- f. Specialty Castings, Hatches, Manholes, Miscellaneous Ladders, Mast and associated Components
- g. Survey Equipment, HPR Deployment System, Survey Frame and Deployment System, Multi-beams, Cameras, and supporting hardware / software

- h. Mission Equipment, hoppers, shakers, conveyor system, fall pipe deployment system, HPU / electrical; equipment, controls foundations, and cradles

**Services**

- a. Initial Vessel Design
- b. Integrated Logistics
- c. Construction Oversight
- d. Classification

None of the foreign components are a major part of the hulls or superstructures of the Vessels. Even if these foreign components are included in the construction of the SRIV the Coast Guard can still document the SRIV as U.S.-built with coastwise endorsements.