

Notice of Made in America Law Waiver Request

Action: Notice, request for comments

Web posting date: 08/13/2024

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 should be granted to permit the inclusion of the following foreign components in the issuance of Federal Ship Financing Program (“Title XI”) loan guarantees to finance a portion of the construction costs of two 3,620 TEU Aloha Class containerships (ACC’s) by the Matson Navigation Company, Inc. for use in Matson’s Pacific Ocean shipping services:

Marine Propulsion

- a. Main Engines, shafting, control systems and associated sensor systems

Auxiliary Systems

- a. Pumps, Piping and Compressed Systems and associated components
- b. Bow Thruster and Steering Gear Systems and associated components
- c. Vacuum Collection System and Oil Purifier System and associated components
- d. Deck Machinery, Stern Equipment, Life Rescue Equipment, Davits and associated components
- e. Portable Water System, Marine Growth System, and associated components
- f. Impressed Current System and associated components
- g. Refrigeration, HVAC Systems, and associated components

Electrical Plant

- a. Power System (main switchboard, distribution panels, distribution transformers and generators).
- b. Ship Service Switchboards
- c. Automatic Voltage Regulators, Generator Monitoring Systems & Other Electrical accessories

Outfitting and Furnishings

- a. Joiner furnishings (Bulkheads, Doors, Ceiling Panels, Lighting, marine furniture, insulation, bathroom equipment and accessories, Laundry and Galley equipment, lighting and deck covering
- b. Pilothouse and Portlight Windows and associated accessories
- c. Misc Ladders, Mast and components
- d. Specialty Castings & Hatches and Manholes

Such ship components must be compatible for use in the ACC's, 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.

Matson Navigation Company, Inc. submitted requests to MARAD to waive the domestic content requirement for certain foreign components necessary for construction of the ACC's pursuant to 46 CFR 298.13(b)(2), as part of their application for Title XI loan guarantees. 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 mortgage period financing for the ACC's, which will be used to replace two vessels currently deployed in Matson's fleet. The new ACC's will provide additional capacity and speed benefiting Matson's Hawaii and Guam services. The project supports the Philly Shipyard in Philadelphia Pennsylvania, which is constructing the ACC's. The approval of the domestic content waivers for the ACC's 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 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.

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>.