



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Transportation and Public Facilities

SOUTHCOAST REGION

6860 Glacier Highway
PO Box 112506
Juneau, Alaska 99801-2506
Main: (907) 465-1799
Toll free: (800) 575-4540
Fax: (907) 465-2030
dot.state.ak.us

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Tenor Galambush
Area Engineer – Southcoast Region
Federal Highway Administration – Alaska Division
P.O. Box 21648
709 West 9th Street, Room 851
Juneau, AK 99802-1648

Subject: Buy America Waiver Request
Inter-Island Ferry Authority Vessel Refurbishment
State Project No. SFHWY00101 / Fed Project No. 0003227

The Alaska Department of Transportation and Public Facilities, Southcoast Region is submitting a Buy America waiver request in accordance with 23 CFR 635.410 to permit the use of steel or iron products not manufactured in the United States. This letter addresses two components of the Inter Island Ferry Authority (IFA) ferry vessel refurbishment project where products containing foreign steel or steel are required because they are not commercially available and cannot be manufactured in the United States.

All other steel or iron products that are procured through the construction contract and manufactured specifically for this project will comply with Buy America policies. However, in the two instances described here, the Buy America requirements are inconsistent with the public interest and suitable, domestic products are not available.

Project Identification: Inter-Island Ferry Authority (IFA) Vessel Refurbishment
State Project No. SFHWY00101 / Fed Project No. 0003227

Project Description:

This project will refurbish two IFA ferry vessels, the MV Stikine and MV Prince of Wales. Both vessels were constructed with federal aid a number of years ago and are routinely refurbished with federal aid administered by the Alaska Department of Transportation & Public Facilities (ADOT&PF).

Project Cost:

This is an FHWA funded project with a total estimated cost of \$2,400,000 including construction administration.

1) Reintjes Reduction Gear Overhaul Parts for Reintjes LAF 763 L Reduction Gears

These are parts and equipment to overhaul two existing reduction gears on the M/V Prince of Wales and the M/V Stikine. The parts are proprietary and not made in America. The Department

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seeks a waiver to furnish this equipment using foreign made parts in order to maintain equipment warranties and reliability.

a) Justification for Waiver Request:

Existing Reintjes LAF 763 L reduction gears are due for overhaul. Of the overhaul components, all bearings, inner/outer discs, carrier, oil pump, and the control valve are predominantly made of steel and are only manufactured outside the United States.

Only the original equipment manufacturer produces replacement parts for this equipment, and those parts are produced at the manufacturer's facility in Germany. There are no substitute parts made domestically that can be used in this system.

b) Cost of the Waiver Items:

Estimated value for two sets of Reintjes LAF 763 L reduction gear overhaul parts for both vessels is \$40,000.

c) Country of Origin:

Overhaul parts covered under this waiver request are manufactured in Germany.

d) Availability of Domestically Manufactured Product:

Reduction gear replacement parts are fabricated in manufacturing facilities in Germany. These are the only factory authorized parts for the existing reduction gear system. The Department has made inquiries and manufacturing of these product specific parts within the United States will not be authorized nor conducted by the original equipment manufacturer.

e) Redesign Using Alternate or Domestic Product:

Domestic reduction gears are available from at least one other manufacturer; however, this particular project is a routine maintenance effort only and use of another product would require complete replacement of the entire reduction gear system and the housing and connecting elements. Replacing all the reduction gears with new domestic equipment is not feasible without complex reconstruction of many other components at great expense and time.

f) Waiver Request:

The Department concludes it is in the public interest to obtain replacement parts for the existing reduction gear system and waive the requirement that such parts be domestically built. Using certified parts from the original equipment manufacturer is the only solution without replacing the entire reduction gear system.

2) Pitch Control Units – Hundested VP 11 RF-HP Pitch Control Units

Pitch Control Units (PCUs) are critical components of the MV Prince of Wales propulsion system. This waiver requests new PCUs to replace existing equipment and match the PCUs on the Stikine, the other vessel operated by the Interisland Ferry Authority. This upgrade is expected to improve vessel performance and to decrease maintenance costs by standardizing fleet equipment.

a) Justification for the Waiver Request:

The vessel operator has had operational issues with the existing pitch control units (Hunedsted VP 11 RF-H PCU) and need to replace the existing units with units matching the MV Stikine, the other IFA operated vessel. The PCUs aboard the Stikine are operationally superior to the Prince of Wales units for the applications used and matching equipment across the fleet is needed to insure operational safety and reduce maintenance.

The new pitch control units include a metal casing with bearings, seals, fasteners, pistons, and other components meant to control the angle of the propeller blades via a push/pull rod. The pitch control units are an assembled piece of manufactured equipment.

b) Cost of the Waiver Item:

Estimated value for the new Hundested VP 11 RF-HP pitch control unit is \$222,000.

c) Country of Origin:

Hundested pitch control units are manufactured in Denmark.

d) Availability of Domestically Manufactured Product:

No known domestic manufacturer produces commercially available pitch control units suitable for use on the MV Prince of Wales. One source (ROLLS ROYCE) is known to produce pitch control units domestically for the military, however these units are not commercially available.

e) Redesign Using Alternate or Domestic Product:

No known domestic manufacturer produces commercially available pitch control units suitable for use on the MV Prince of Wales. It is possible to redesign the propulsion system to use a domestically manufactured *fixed pitch* propeller system, however a fixed pitch system would substantially reduce the efficiency of the vessel and would require a ground-up redesign of the propulsion and shafting system. This rebuild would be totally impractical and time prohibitive for the vessel owner, operator, and public.

f) Waiver Request:

The Department concludes it is in the public interest to obtain new pitch control units and waive the requirement that such parts be domestically built. Domestically manufactured pitch control units are not available and vessel performance and efficiency is needed as a result of the use of the new proposed equipment.

The equipment described in this letter is needed to conduct the project. The Department asserts the public interest is best served by utilizing the subject parts outlined in this request. This determination is reasonable under the circumstances, cost effective for the project and advantageous to the State and the Federal Government. Reasonable domestic alternatives simply do not exist. There is no domestic equivalent for the subject components. These components are highly specialized items critical to the project and there are no American manufacturers.

Time is of the essence with regard to this request. The project is anticipated to be advertised December 1, 2018 in order to meet delivery and associated operational needs. Your assistance in processing this request at the earliest opportunity would be greatly appreciated.

Please contact us if you require additional information or seek clarification to help in evaluating this waiver request.

Sincerely,



L. Pat Carroll, P.E.
Regional Preconstruction Engineer