



This document is scheduled to be published in the Federal Register on 12/12/2016 and available online at <https://federalregister.gov/d/2016-29707>, and on [FDsys.gov](https://FDsys.gov)

## **DEPARTMENT OF TRANSPORTATION**

### **Federal Transit Administration**

**[Docket No. FTA-2016-0036]**

### **Notice of Buy America Waiver for Replacement Parts on Diesel Multiple Unit Rail Vehicles**

**AGENCY:** Federal Transit Administration, DOT.

**ACTION:** Notice of Buy America waiver.

---

**SUMMARY:** The Federal Transit Administration (FTA) received a request from the North County Transit District (NCTD) in California for a Buy America non-availability waiver for the procurement of replacement parts for Diesel Multiple Unit (DMU) rail vehicles. The 12 DMU rail vehicles were manufactured by Siemens as a part of their Desiro series and were placed in revenue service in 2008. Mid-life maintenance and replacement overhauls of vehicle parts are now required in order to ensure safe and continuous transit service. The FTA hereby waives its Buy America requirements, finding that the materials for which the waiver is requested are not produced in the United States in sufficient and reasonably available quantities and of satisfactory quality. This waiver is limited to the purchase of the replacement parts by NCTD over several phases from 2018 through 2026.

**DATES:** The waiver is effective immediately.

**FOR FURTHER INFORMATION CONTACT:** Cecelia Comito, Assistant Chief Counsel, at (202) 366-2217 or [cecilia.comito@dot.gov](mailto:cecilia.comito@dot.gov).

**SUPPLEMENTARY INFORMATION:** The purpose of this notice is to announce that FTA has granted a Buy America non-availability waiver for the NCTD's purchase of replacement parts on their Siemens-manufactured Desiro series DMU rail vehicles, including, but not limited

to, Power Pack Assembly, Power Truck Assembly, Jakobs Truck Assembly, Transmission, Primary Suspension, Secondary Suspension, Power Wheelset Assembly, Power Truck Brake Rotors, Jakobs Truck Brake Rotors, Power Truck Wheels, Jakobs Truck Wheels, A/C Compressors, Carbody Brake Components, Automatic Train Couplers, and HVAC Roof Mounted Units (the “Replacement Parts”) pursuant to 49 U.S.C. 5323(j)(2)(B) and 49 CFR 661.7(c).

With certain exceptions, FTA’s Buy America requirements prevent FTA from obligating an amount that may be appropriated to carry out its program for a project unless “the steel, iron, and manufactured goods used in the project are produced in the United States.” 49 U.S.C. 5323(j)(1). A manufactured product is considered produced in the United States if: (1) all of the manufacturing processes for the product take place in the United States; and (2) all of the components of the product are of U.S. origin. A component is considered of U.S. origin if it is manufactured in the United States, regardless of the origin of its subcomponents. 49 CFR 661.5(d). If, however, FTA determines that “the steel, iron, and goods produced in the United States are not produced in a sufficient and reasonably available amount or are not of a satisfactory quality,” then FTA may issue a non-availability waiver. 49 U.S.C. 5323(j)(2)(B); 49 CFR 661.7(c). “It will be presumed that the conditions exist to grant this non-availability waiver if no responsive and responsible bid is received offering an item produced in the United States.” 49 CFR 661.7(c)(1).

NCTD provides transit service to the entire North San Diego County, serving more than 12 million riders annually. In 2003, NCTD requested and received from FTA a non-availability Buy America waiver for the procurement of 12 DMU vehicles for use on NCTD’s Sprinter line, with 15 light rail stations between the cities of Escondido and Oceanside. NCTD purchased the

12 DMU vehicles in 2004 and placed the vehicles into revenue service in 2008 on NCTD's Sprinter line. The useful life of the vehicles is 25 years.

According to NCTD, the Replacements Parts for the DMU vehicles are nearing the end of their useful service lives and showing signs of wear and fatigue. Without periodic capital equipment replacement and/or rebuild, the likelihood of mechanical downtime increases significantly, equating to prolonged service outages for riders. In March 2013, NCTD removed the Sprinter service from revenue service for more than two months due to premature wear of one of the three braking systems and unavailability of domestic replacement parts. NCTD intends to replace the components over several phases during the coming years, from 2018 through 2026. The last phase is anticipated to be procured over a subsequent seven-year period. Any non-availability waiver granted would be effective for all phases of these projects and will expire upon completion of these projects.

As a part of its search for domestic Replacement Parts, NCTD issued a Request for Information (RFI) on November 12, 2013 to maintenance and engineering communities to determine if any firms existed that could either supply Buy America compliant parts and components, or reverse engineer the parts and components utilizing plans and specifications provided. More than 300 vendors received the RFI; 19 downloaded the RFI. One vendor responded that "with proper specifications, drawings, and samples, we may be able to design and supply Buy America Compliant, OE equivalent, air bellows, primary suspension, and passenger bellows." However, the original equipment manufacturer ("OEM") would not provide the requested proprietary information. NCTD undertook three additional procurements for the Replacement Parts. Three responses were received; none could certify to Buy America compliance.

NCTD's 12 vehicles are the only Siemens Sprinter vehicles in the United States. Additionally, since these vehicles were specifically designed to meet California Public Utilities Commission rail safety requirements, Sprinter is the only vehicle of its kind internationally. NCTD's multiple procurement efforts have demonstrated that there are no suppliers willing to invest in infrastructure to manufacture parts that are suitable only for NCTD's 12 vehicles.

Under 49 U.S.C. 5323(j)(6), FTA cannot deny an application for a waiver based on non-availability unless FTA can certify that (i) the steel, iron, or manufactured good (the "item") is produced in the United States in a sufficient and reasonably available amount; and (ii) the item produced in the United States is of a satisfactory quality. Additionally, FTA must provide a list of known manufacturers in the United States from which the item can be obtained. FTA is not aware of any manufacturers who produce the Replacement Parts in the United States.

The 12 DMUs purchased by NCTD were granted a waiver from Buy America, and Replacement Parts are necessary for mid-life maintenance of the rail vehicles. Due to its unsuccessful efforts to identify domestic manufacturers, NCTD seeks a non-availability waiver of the Buy America requirements for the various Replacement Parts. FTA published a notice in the Federal Register announcing the Buy America waiver request (Docket No. FTA-2016-0036) and sought comments from all interested parties, including potential vendors and suppliers. The comment period closed on November 14, 2016, and no comments were received.

Therefore, based on the information provided in support of NCTD's request for a Buy America waiver and the lack of any comments, FTA hereby waives its Buy America requirements for the procurement of the various Replacement Parts on the grounds that the manufactured product is not available in the U.S. This waiver is limited to the purchase of replacement parts for the 12 DMUs which will be acquired for the replacement of the

components over several phases from 2018 through 2026. The waiver is effective for all phases of these projects.

---

Ellen Partridge  
Chief Counsel

[FR Doc. 2016-29707 Filed: 12/9/2016 8:45 am; Publication Date: 12/12/2016]