1997. [http://www.fhwa.dot.gov/programadmin/contracts/122297.cfm]. A waiver of the Buy America requirement without any regard to where the vehicle is assembled would diminish the purpose of the Buy America requirement. Moreover, in today’s economic environment, the Buy America requirement is especially significant in that it will ensure that Federal Highway Trust Fund dollars are used to support and create jobs in the U.S. This approach is similar to the conditional waivers previously given for various vehicle projects. Thus, so long as the final assembly of the 34 State projects occurs in the U.S., applicants to this waiver request may proceed to purchase these vehicles and equipment consistent with the Buy America requirement.

In accordance with the provisions of section 117 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, Technical Corrections Act of 2008 (Pub. L. 110–244), FHWA is providing this notice of its finding that a public interest waiver of Buy America requirements is appropriate on the condition that the vehicles and equipment identified in the notice be assembled in the U.S. The FHWA invites public comment on this finding for an additional 15 days following the effective date of the finding. Comments may be submitted to FHWA’s Web site via the link provided to the waiver page noted above.


Issued on: May 9, 2016.

Gregory G. Nadeau,
Administrator, Federal Highway Administration.

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BILLING CODE 4910–22–P

DEPARTMENT OF TRANSPORTATION
Federal Transit Administration

Buy America Waiver Notification

AGENCY: Federal Transit Administration (FTA), Department of Transportation (DOT).

ACTION: Notice.

SUMMARY: This notice provides information regarding FTA’s finding that a Buy America waiver is appropriate for the use of non-domestic motor and machinery brake systems (maximum torque 100 ft-lb, wheel size 8 inches) for the rehabilitation of a bascule bridge in Port Clinton, Ohio.

DATES: The effective date of the waiver is May 18, 2016.
In October 2014, Pace issued an invitation for bid (IFB) for a five-year contract for the purchase of seven-person minivans. The successful bidder, Napoleon Fleet, Inc., proposed providing Chrysler Dodge Caravan minivans, but certified that the vehicles were not compliant with the Buy America requirement that the vehicles be assembled in the United States. Chrysler manufactures its minivans in Windsor, Ontario, Canada. On April 15, 2015, Pace requested a Buy America non-availability waiver for the procurement of 188 Dodge Caravan minivans based on the final assembly requirement only. Pace believed that the vehicles it proposed to purchase met the domestic content requirement.

In August 2015 and November 2015, Pace conducted pre-award Buy America audits of the Dodge Caravan minivans and discovered that Chrysler did not meet the current domestic content requirement of more than 60%. Pace notified FTA that the audit showed a 57.4% domestic content for 2015 minivans and only 52% domestic content for 2016 minivans. Pace, therefore, is requesting a waiver on the ground that a seven-person minivan that complies with Buy America’s domestic content and final assembly requirements is not available.

In addition to the request from Pace, FTA has received inquiries from other grantees and manufacturers about the asserted non-availability of minivans for their vanpool fleet that meet both requirements of Buy America. Therefore, FTA proposes to grant a general Buy America waiver for non-ADA-accessible minivans procured pursuant to contracts entered into before September 30, 2019, or until a fully-compliant domestic source becomes available, whichever is earlier. With certain exceptions, FTA’s Buy America statute prevents 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 must take place in the United States; and (2) All of the components of the product must be 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 waiver (non-availability waiver). 49 U.S.C. 5323(j)(2)(B); 49 CFR 661.7(c).

The requirement that manufactured goods be produced in the United States may be waived for rolling stock if (i) the cost of components and subcomponents produced in the United States for fiscal years 2016 and 2017 is more than 60 percent of the cost of all components of the rolling stock; and (ii) final assembly of the rolling stock occurs in the United States. 49 U.S.C. 5323(j)(2)(C).

FTA funds the procurement of between 2,500 and 3,000 minivans annually, including both ADA-accessible and non-ADA-accessible vans. The challenges associated with buying minivans that comply with FTA’s Buy America statute and regulations have been well documented over the past six years. In 2010, El Dorado National, Kansas and Chrysler Group LLC petitioned FTA for a waiver of the Buy America final assembly requirement. In response to the request FTA published a notice in the Federal Register, seeking comment from all interested parties. Numerous parties responded to the notice expressing support for the waiver. One manufacturer, Honda, indicated that its minivans were in compliance with the Buy America regulations but would not provide the additional information needed to support its claims. Ultimately, on June 21, 2010, FTA issued a blanket waiver of the Buy America final assembly requirements for minivans and minivan chassis. See 75 FR 71676, (November 24, 2010). Although FTA acknowledged that the MV–1 minivan is a wheelchair-lift equipped minivan and does not provide the seating capacity needed for vanpool programs, FTA did not continue the blanket waiver for these vehicles, noting that it “prefers to consider waiver requests for limited circumstances and on procurement-by-procurement basis . . . .” Id.

On November 27, 2012, FTA rescinded the non-availability waiver for minivans, finding that the manufacturer of the MV–1 was a domestic manufacturer of eligible paratransit vehicles and could meet both the domestic content and the final assembly requirements for rolling stock under Buy America. See 75 FR 71676, (November 24, 2010). 25 Under recent amendments to 49 U.S.C. 5323(j)(2)(C), if the minivans are delivered in FY2018 or FY2019, the domestic content will increase to more than 65 percent and if delivered in FY2020 or beyond, the domestic content will increase to more than 70 percent.

On November 27, 2013, FTA issued a one-time, limited Buy America waiver of the final assembly requirement to the North Front Range Metropolitan Planning Organization (NFRMPO), for the purchase of 25 seven-passenger minivans, based upon non-availability. See 78 FR 71025, (November 27, 2013). FTA rejected comments suggesting that it reinstate the 2012 blanket waiver for seven-person minivans, and instead issued a waiver for final assembly for
NHRMO’s purchase of up to 25 minivans. The market for non-ADA accessible minivans has changed since 2013. In 2013, the Chrysler minivan met the domestic content requirements but was not assembled in the United States. FTA issued a non-availability waiver for final assembly because more than 60 percent of the minivan’s components were produced in the United States. Today, Chrysler does not meet either Buy America requirements. However, there are at least four manufacturers—GMC, Ford, Honda and Toyota—that make non-ADA-accessible minivans that are assembled in the U.S.\(^2\)

Because there are at least four minivan manufacturers who assemble their vehicles in the United States, FTA will not grant Pace a non-availability waiver for for both final assembly and domestic content. Instead, in order to maintain U.S. jobs and obtain the benefits of the Buy America statute, FTA proposes to grant a general waiver of only the domestic content requirement for non-ADA-accessible minivans. This waiver would apply to all procurements of non-ADA-accessible minivans and is limited to contracts entered into before September 30, 2019 or until a fully-compliant domestic source becomes available, whichever is earlier. Because the non-ADA-accessible minivans are production line vehicles sold to the general public (i.e., they are not designed and manufactured specifically to be purchased using Federal funds), and those sales substantially outnumber purchases with Federal funds, manufacturers have been reluctant to subject their vehicles to the pre-award and post-delivery audit requirements in 49 CFR part 663 to verify their domestic content. FTA seeks comments on whether manufacturers would consider submitting to a pre-award and post-delivery audit process that was conducted by FTA on each new model year, as opposed to requiring audits for each individual procurement.

This waiver would not apply to ADA-accessible minivans because such vehicles are available that meet the Buy America requirements. FTA is publishing this Notice to seek public and industry comment from all interested parties in accordance with 49 U.S.C. 5323(f)(3)(A). Such information and comments will help FTA understand completely the facts surrounding the request, including the merits of the request. A full copy of the request has been placed in docket number FTA–2016–0025.

Ellen Partridge,
Chief Counsel.

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BILLING CODE 4910–57–P

DEPARTMENT OF TRANSPORTATION
Federal Transit Administration
[Safety Advisory 16–2]
Contact Rail (Third Rail) System Hazards

AGENCY: Federal Transit Administration (FTA), Department of Transportation (DOT).

ACTION: Notice of Safety Advisory.

SUMMARY: The Federal Transit Administration (FTA) issued Safety Advisory 16–2 regarding contact rail system hazards on rail fixed guideway public transportation systems (RFGPTSs). A letter to the Managers of State Safety Oversight (SSO) programs with RFGPTSs that use a contact rail system, was also issued requesting data and information on contact rail system hazards occurring during calendar year 2015. Safety Advisory 16–2 and the requested data and information 90 days from issuance of the advisory.

FOR FURTHER INFORMATION CONTACT: For program matters, Sam Shelton, Office of System Safety, telephone (202) 366–0815 or Sam.Shelton@dot.gov. For legal matters, Scott Biehl, Senior Counsel, telephone (202) 366–0826 or Scott.Biehl@dot.gov.

SUPPLEMENTARY INFORMATION: Nationwide, 13 RFGPTS operate and maintain contact rail traction power electrification (TPE) systems to power trains that move millions of daily passengers in some of the nation’s largest cities. Recently, the FTA has investigated several safety events related to failures of contact rail TPE systems, including:

- Smoke events caused by arcing insulators and traction power cable fires;
- An explosion caused by a flashover on porcelain insulators;
- A high-intensity fire caused by an electrical short circuit that resulted in the total loss of a traction power substation and major service disruptions;
- Damage to electrical propulsion equipment on dozens of railcars caused by spiking voltage that significantly impacted passenger service; and
- Poor track conditions exacerbated by electrolysis and corrosion from stray current, which degraded anchor bolts and fasteners to the point of failure in a tunnel.

The FTA finds sufficient evidence that each SSOA with an RFGPTS operating and maintaining a contact rail TPE system should investigate potential hazards associated with these systems through its hazard management program specified at 49 CFR 659.31. Further, in accordance with its authority at 49 CFR 659.39(d) to periodically request program information from the SSOAs, the FTA asks these SSOAs to collect the information requested below.

(1) A brief description of the RFGPTS contact rail TPE system and components.
(2) A brief description regarding any major changes or upgrades to the contact rail TPE system made over the last 10 years and whether the traction power cables were also upgraded.
(3) A brief description of the RFGPTS preventive maintenance program in place to determine the insulation integrity of traction power feeder cables (i.e., meggering, hipot testing, metering or other testing program). If such a program does not exist, or has been modified or eliminated, please explain in the response.
(4) The approximate percentage of traction power feeder cables used by the RFGPTS that are low smoke and zero halogen emission cables. Please specify the type and manufacturer.
(5) A brief description of the construction and installation processes used to manage potential impacts of vibration, friction, rubbing, etc. on traction power cables, and whether protective matting is used for cables lying along the ballast and tunnel invert.
(6) A listing of any corrective action plans (CAPs) required and approved by the SSOA related to the traction power electrification system since calendar year 2012 and their status, to include both open and closed CAPs.
(7) A copy of the RFGPTS inspection, testing, and maintenance program manual for its contact rail TPE system.
(8) The RFGPTS definition of “arcing insulator.”

\(^1\) Please note, on March 16, 2016, FTA issued a final rule for State Safety Oversight that will eventually replace the longstanding regulations at 49 CFR part 659. See, 81 FR 14290–92. SSOAs and RFGPTSs must continue to comply with 49 CFR part 659, however, until they come into compliance with the new regulations, which have been codified at 49 CFR part 674.