



LUNCH AND LEARN

AMERICAN IRON AND STEEL (AIS) REQUIREMENTS

National Product Waiver for Minor Components in
Iron and Steel Products (with Cost Ceiling)

Presented by U.S. EPA

October 21, 2020

Training Logistics

- ◉ Presentation by EPA staff and Contractors including:
 - EPA Office of Wastewater Management
 - ◉ Leslie Corcelli and Tim Connor
 - EPA Office of Ground Water and Drinking Water
 - ◉ Jorge Medrano
 - Cadmus Group
 - ◉ Derek Sullivan

- ◉ Questions will be addressed at the end of the presentation.

- ◉ Slides from today's presentation will be posted on EPA's website.

Webcast Logistics

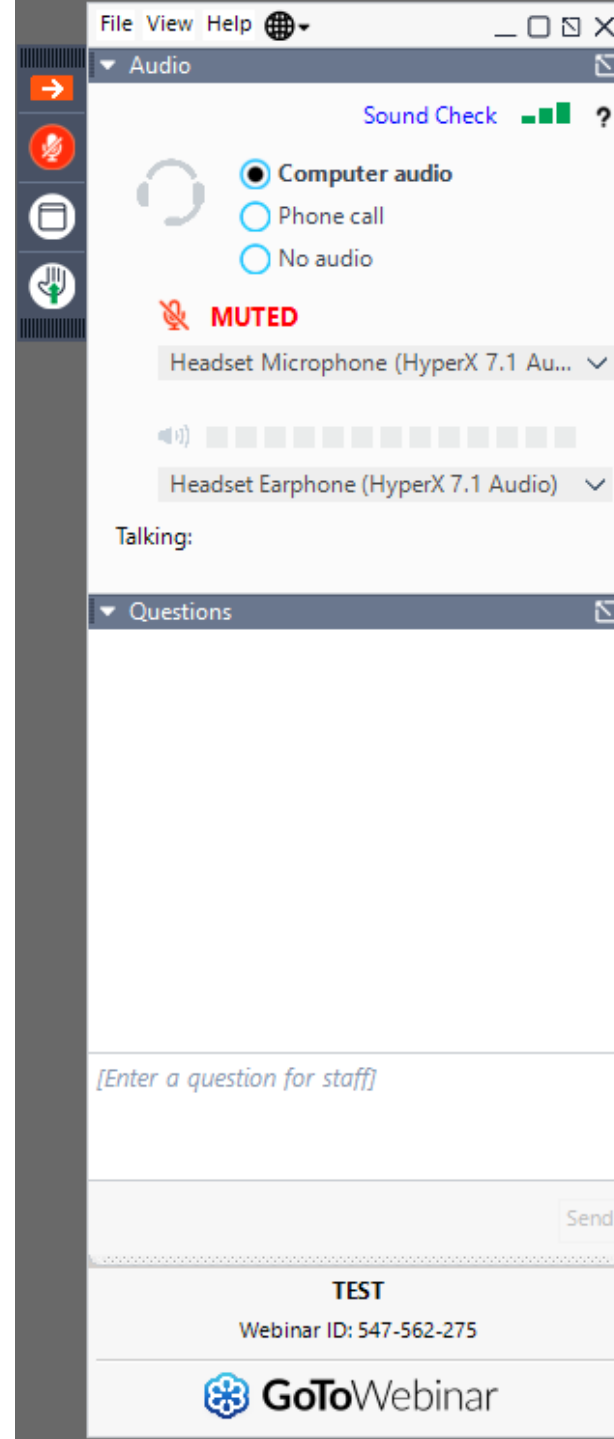
Your Participation

Join audio:

- Choose **Computer Audio** to join via computer, OR
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Submit questions and comments via the **Questions** panel.

We will answer questions at the end of today's presentation.



The screenshot shows a webcast interface with a dark sidebar on the left containing icons for navigation, audio, chat, and help. The main content area is divided into two sections: 'Audio' and 'Questions'.

Audio Section:

- File View Help (with a globe icon)
- Audio (dropdown menu)
- Sound Check (with a green bar and a question mark icon)
- Computer audio (selected with a black dot)
- Phone call (unselected with a blue circle)
- No audio (unselected with a blue circle)
- MUTED** (with a red microphone icon)
- Headset Microphone (HyperX 7.1 Au... (dropdown menu)
- Volume slider (with a speaker icon and a bar)
- Headset Earphone (HyperX 7.1 Audio) (dropdown menu)
- Talking:

Questions Section:

- Questions (dropdown menu)
- [Enter a question for staff] (text input field)
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- Webinar ID: 547-562-275 (text)
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Lunch and Learn Agenda

- ◉ AIS Background
- ◉ National Minor Components Waiver
 - Waiver Explanation
 - Waiver Example
 - De Minimis vs. Minor Components
- ◉ Summary
- ◉ Answer Questions and Solicit Feedback from Community

AIS Background – Regulatory Authority

- ◉ The "American Iron and Steel" provision requires SRF loan recipients to use iron and steel products that are produced in the United States for the construction, alteration, maintenance, or repair of a public water system or treatment works (Consolidated Appropriations Act of 2014 P.L. 113-76).
 - **Water Resources Reform and Development Act** made AIS permanent for CWSRF June 10, 2014.
 - **America's Water Infrastructure Act 2018** extended the AIS requirements for DWSRF projects through September 30, 2023.
- ◉ AIS requirement applies to
 - Any project that receives \$1 of SRF funding
 - Multi-phased projects are considered a single project if phases are closely related in purpose, place and time

AIS Background

What is Iron or Steel Product?



Is the product a listed product?

- Products specifically listed in CAA 2014: Lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials



Is the product primarily iron or steel?

- Listed product must be made of greater than 50% iron or steel, measured by materials cost.



Is the product permanently incorporated in the project?

- Listed product is intended to be permanently installed at project site.

If product meets all three criteria, then it must be produced in the United States.

AIS Background

What is “Produced in the United States”?

- Manufacturing and processing of iron or steel must occur in the U.S., including:
 - Melting
 - Refining
 - Forming
 - Rolling
 - Drawing
 - Finishing
 - Fabricating
 - Assembly

- Exceptions to this AIS requirement are the following:
 - Metallurgical processes involving refinement of steel additives
 - External coating of the surface of iron/steel components

AIS Background

Compliance Requirements and Waivers

- ◉ **Documentation** of AIS compliance is required by EPA
 - AIS language in assistance agreements, bid documents, construction contracts (typically standard language*)
 - AIS certification letters for all listed products
 - Listed products that are not documented with an AIS certification letter must be documented with a waiver (national or project specific)

 - ◉ EPA has authority to waive the AIS requirement and to issue **waivers** for a case or category of cases.
 - National Waivers
 - Project/Product Specific Waivers
- <https://www.epa.gov/sites/production/files/2015-09/documents/ais-final-guidance-3-20-14.pdf>

AIS Background

National Waivers

National waivers* are available for use immediately and do not require EPA approval

- *De Minimis* Waiver
- National Product Waiver for Minor Components in Iron and Steel Products (with Cost Ceiling)
- Pig Iron and Direct Reduced Iron
- Nationwide Plans and Specs Waiver Pursuant to Section 436 of P.L. 113-76, Consolidated Appropriations Act (CAA)

Expired national waiver

- Short-Term National Product Waiver for Stainless Steel Nuts and Bolts Used in Pipe Couplings, Restraints, Joints, Flanges, and Saddles
-
- <https://www.epa.gov/cwsrf/american-iron-and-steel-requirement-approved-national-waivers-0>

National Product Waiver for Minor Components in Iron and Steel Products (With Cost Ceiling)

- ◉ Minor Components Waiver is intended for use by manufacturers.
- ◉ Permits the use of non-domestically produced miscellaneous minor components within an otherwise domestically produced product.
- ◉ Up to 5% of the total materials costs can be included.
- ◉ All other iron or steel components within a product must meet AIS requirements.
- ◉ No application or approval necessary.

Minor Components Waiver (continued)

- ◉ SRF loan recipients should be aware of the Minor Components Waiver.
 - Manufacturers can use the waiver and are not required to note its use.
 - Loan recipients can request this information from manufacturers if they feel it is necessary.
 - Manufacturers are encouraged to note the usage of the Minor Components Waiver in their AIS Certification Letters.
- ◉ Stainless Steel Nuts and Bolts Waiver has expired.
 - These SS Nuts and Bolts could be included under Minor Components if they total less than 5% of the materials cost of the product.
 - However, these SS Nuts and Bolts are typically greater than 5%.

Minor Components Waiver Example

- ◉ Example: A fire hydrant with stainless steel pins and springs could make use of the waiver.
- ◉ Non-domestic components included under the Minor Components Waiver must be less than 5% of the total materials cost of the product.
- ◉ EPA encourages that manufacturers note this in AIS Certification Letters.



De Minimis vs. Minor Components

- ◉ Minor Components Waiver is different from the De Minimis Waiver.

- ◉ The National De Minimis waiver is intended to allow loan recipients to include incidental, non-domestic, iron and steel products in the project, up to the 5% and 1% limits.

- ◉ The National Minor Components waiver is intended to allow manufacturers to certify their products as AIS-compliant even if a small portion (no more than 5%) of the materials cost of the product is from a non-domestic origin or the origin can't be determined.
 - Non-domestic components do not need to be incidental.

National Waiver:

De Minimis vs Minor Components

For the SRF
Loan
Recipient

VS

For the Iron or
Steel Product
Manufacturers

National Waiver:

De Minimis vs Minor Components

A diagram consisting of two overlapping blue circles. The left circle contains the text "For whole products". The right circle contains the text "For components of products". A large, bold, black "VS" is positioned between the two circles, overlapping both.

For whole
products

For
components
of products

National Waiver:

De Minimis vs Minor Components

5% of total
product cost
for project

VS

5% of total
materials cost
of product

National Waiver:

De Minimis vs Minor Components

**Tabular
List
(encouraged)**

VS

**Include in
Certification
Letter
(encouraged)**

National Waiver:

De Minimis vs Minor Components

Incidental to
the project
purpose

VS

Simply cost
based

Summary

- ⦿ AIS requirements apply to any project that receives SRF funding
- ⦿ EPA has authority to waive AIS requirements
- ⦿ National Minor Components Waiver is for manufacturers, De Minimis Waiver is for loan recipients.
- ⦿ Minor Components Waiver allows non-domestic components in an otherwise AIS-compliant product.
- ⦿ Minor Components must be less than 5% of the total materials cost of the product.
- ⦿ No incidental requirement, no application necessary.

Where Can I Find More Information?

For questions on EPA AIS National Waivers:

<https://www.epa.gov/cwsrf/american-iron-and-steel-requirement-approved-national-waivers-0>

Email: SRF_AIS@epa.gov

For general questions on EPA AIS Requirements:

<http://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement> (or search “SRF AIS”)



Clean Water
State Revolving Fund



QUESTIONS?

AIS Program Staff can be reached at:

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