

ENVIRONMENTAL PROTECTION AGENCY

[FRL-]

Notice of a Project Waiver of Section 1605 (Buy American requirement) of the American Recovery and Reinvestment Act of 2009 (ARRA) to the Johnston County Department of Public Utilities (the County), North Carolina for the purchase of resin beads (MIEX® DOC Resin) manufactured outside of the United States under the Section 1605 waiver authority based on the conclusion that iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality.

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Acting Regional Administrator of EPA Region 4 is hereby granting a waiver of the Buy America requirements of ARRA Section 1605 under the authority of Section 1605(b)(2) (manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality) to the County for the purchase of resin beads (MIEX® DOC Resin) supplied by Orica Ltd, in Victoria, Australia and manufactured in Australia. The applicant indicates that MIEX® DOC Resin is necessary to the MIEX® process, a treatment process evaluated in pilot studies at the County and selected for implementation. The MIEX® DOC Resin is only manufactured in Australia. It is patented and no alternative exists which can be used with the MIEX® process. The Acting Regional Administrator is making this determination based on the review and recommendations of the Grants and SRF Section. The County has provided sufficient documentation to support their request.

EFFECTIVE DATE: October 7, 2009.

FOR FURTHER INFORMATION CONTACT: Ed Springer, Chief, Grants and SRF Section, Water Protection Division (WPD), (404) 562-8410, U.S. EPA Region 4,61 Forsyth St. SW, Atlanta, GA 30303.

SUPPLEMENTARY INFORMATION:

In accordance with ARRA Section 1605(c), the EPA hereby provides notice that it is granting a project waiver of the requirements of Section 1605(b)(2) of Public Law 111-5, Buy American requirements, to the County for the acquisition of resin beads (MIEX® DOC Resin) supplied by Orica Ltd, in Victoria, Australia and manufactured in Australia. The applicant indicates that MIEX® DOC Resin is necessary to the MIEX® process, a treatment process evaluated in pilot studies at the County and selected for use. The MIEX® DOC Resin is only manufactured in Australia. It is patented and no alternative exists which can be used with the MIEX® process. Section 1605 of the ARRA requires that none of the appropriated funds may be used for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project is produced in the United States unless a waiver is provided to the recipient by EPA. A waiver may be provided if EPA determines that (1) applying these requirements would be inconsistent with public interest; (2) iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or (3) inclusion of iron, steel, and the relevant manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent.

In order to meet the new Long Term II Surface Water Treatment Rule and Stage 2 Disinfection By-Product Rule under the Safe Drinking Water Act, the County will be required to reduce the levels of dissolved organic carbon (DOC) – a disinfection byproduct precursor of regulatory concern – from its source water supply. In 2007, the County commissioned their engineer to conduct a treatability testing program to evaluate treatment technologies for removing DOC from the County's source water supply. The treatability testing program evaluated powdered activated carbon, granular activated carbon, and the MIEX® process/resin for DOC removal. The 2007 treatability study summarized a previous treatability testing program conducted for the County in 2000, which concluded that physical/chemical treatments (i.e., conversion of chlorine disinfection to chloramines, alternative coagulants with enhanced clarification, dissolved air flotation and membrane treatment [using submerged low pressure membranes]) would be ineffective in meeting required treatment levels. The 2007 treatability testing program selected the MIEX® process/resin to meet the County's treatment requirements.

Further, the County's waiver request states that "[t]he Public Water Supply Section, Division of Environmental Health, N.C. Department of Environment and Natural Resources has reviewed the report and subsequent design and approved the project." Approval of a public water system's compliance technology by the primary regulatory enforcement agency of a State is a crucial prerequisite to initiation of a drinking water infrastructure project to comply with a National Primary Drinking Water Standard. Given this approval and in light of the outcome of the treatability testing program, the County did not have a basis to use a practicable alternative compliance technology within

the ARRA time requirements for SRF projects to be under contract or construction by February 17, 2010.

The County's submission clearly articulates entirely reasonable reasons for choosing the type of technology that it chose for this project and has provided sufficient documentation that the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantity and of a satisfactory quality to meet its technical specifications.

The April 28, 2009 EPA HQ Memorandum, Implementation of Buy American provisions of P.L. 111-5, the "American Recovery and Reinvestment Act of 2009", defines "reasonably available quantity" as the quantity of iron, steel, or relevant manufactured good is available or will be available at the time needed and place needed, and in the proper form or specification as specified in the project plans and design. The County has incorporated specific technical design features for the proposed project based on pilot studies which demonstrated MIEX® treatment is the best alternative.

The County has provided information to the EPA representing that there are currently no resin beads manufactured in the United States that have the exact same product specifications in place. The County has also provided certification from its supplier representing that there are no beads of comparable quality available from a domestic manufacturer to meet its exact specifications. Based on additional research by EPA's

consulting contractor (Cadmus), and to the best of the Region's knowledge at this time, there do not appear to be other resin beads available to meet the County's specifications.

Furthermore, the purpose of the ARRA provisions was to stimulate economic recovery by funding current infrastructure construction, not to delay projects that are already shovel ready by requiring entities, like the County, to revise their design and potentially choose a more costly and less efficient project. The imposition of ARRA Buy American requirements on such projects eligible for DWSRF assistance would result in unreasonable delay and thus displace the "shovel ready" status for this project. To further delay construction is in direct conflict with the most fundamental economic purposes of ARRA: to create or retain jobs.

The Grants and SRF Section has reviewed this waiver request and has determined that the supporting documentation provided by the County is sufficient to meet the following criteria listed under Section 1605(b) and in the April 28, 2009, Implementation of Buy American provisions of P.L. 111-5, the "American Recovery and Reinvestment Act of 2009" Memorandum: Iron, steel, and the manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality. The basis for this project waiver is the authorization provided in Section 1605(b)(2), due to the lack of production of this product in the United States in sufficient and reasonably available quantities and of a satisfactory quality in order to meet the County's design specifications. The March 31, 2009 Delegation of Authority Memorandum provided Regional Administrators with the authority to issue exceptions to

Section 1605 of ARRA within the geographic boundaries of their respective regions and with respect to requests by individual grant recipients.

Having established both a proper basis to specify the particular good required for this project, and that this manufactured good was not available from a producer in the United States, the County is hereby granted a waiver from the Buy American requirements of Section 1605(a) of Public Law 111-5 for the purchase of resin beads (MIEX® DOC Resin) supplied by Orica Ltd, in Victoria, Australia and manufactured in Australia as specified in the County's request of June 26, 2009. This supplementary information constitutes the detailed written justification required by Section 1605(c) for waivers based on a finding under subsection (b).

Authority: P.L. 111-5, section 1605.

Issued on:

10/7/09

Date

A. J. Stt Ah

A. Stanley Meiburg
Acting Regional Administrator
EPA, Region 4

[FR Doc. 09-XXXX Filed 3-2X-09] BILLING CODE XXXX-XX-X