



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JAN 18 2017

OFFICE OF WATER

DECISION MEMORANDUM

SUBJECT: One-Year Extension of the Short-Term National Product Waiver for Stainless Steel Nuts and Bolts used in Pipe Couplings, Restraints, Joints, Flanges and Saddles for State Revolving Fund Projects

FROM: Michael H. Shapiro *Michael Shapiro*
Deputy Assistant Administrator

The U.S. Environmental Protection Agency hereby grants a one-year extension of the Short-Term National Product Waiver for Stainless Steel Nuts and Bolts used in Pipe Couplings, Restraints, Joints, Flanges and Saddles for State Revolving Fund Projects, pursuant to the "American Iron and Steel" requirements of the Clean Water Act Section 608 and Public Law 114-254, the "Further Continuing and Security Assistance Appropriations Act, 2017." The original waiver was signed on February 18, 2015 and was granted a one-year extension on February 22, 2016. With this additional one-year extension, the waiver will expire February 18, 2018. This waiver permits the use of non-domestically produced stainless steel nuts and bolts in bolting-type pipe couplings, restraints, joints and repair saddles in iron and steel products for projects funded by a Clean Water or Drinking Water State Revolving Fund that may otherwise be prohibited absent this waiver.

The original, approved waiver (attached) provides details regarding the specific types of products covered by this waiver as well as the rationale for issuance of the original waiver. This national product waiver extension is short-term, applying to the covered products if those products are purchased up until February 18, 2018.

Rationale: In 2016, the EPA reassessed the market for and supply of stainless steel nuts and bolts for the products of interest and was unable to gather sufficient evidence that there is an adequate domestic supply of these products. Through the research effort, the agency found that the domestic supply of stainless steel nuts and bolts for the subject products has increased slightly since fall 2015. The EPA received anecdotal evidence from a few manufacturers that they increased their supply of stainless steel nuts and bolts used in the subject products by small amounts, but the slight increase does not represent a significant change in the manufacturing capacity of the domestic products. Furthermore, the domestic supply of the stainless steel nuts and bolts is not readily quantifiable because manufacturers were generally unable, or unwilling, to provide information about their production capacity. In addition, the agency received no responses from manufacturers and suppliers after posting a draft version of this Decision Memorandum during a 15-day public comment period.

Lacking evidence that manufacturers of stainless steel nuts and bolts used in the subject products can meet current demands, the agency is extending the national waiver for another year. Prior to the

expiration of the waiver extension, the agency will research the market for and supply of stainless steel nuts and bolts and will reassess the need to further extend this waiver.

Legal Authority: Legal authority for the AIS requirements for CWSRF projects is included under Sec. 608(c)(2) of the Clean Water Act and previously under P.L. 113-76, the "Consolidated Appropriations Act, 2014," under the authority of Section 436(b)(2). Legal authority for the AIS requirements for DWSRF projects is included under P.L. 114-254, the "Further Continuing and Security Assistance Appropriations Act, 2017", and also previously under P.L. 113-76, P.L. 113- 235 and P.L. 114-113. This waiver will continue in force for DWSRF projects under any continuing resolutions or statutes that use similar language as in Section 424 of the "Consolidated Appropriations Act, 2016."