



American Iron and Steel (AIS) Requirements for State Revolving Funds



Refresher Webinar: Focus on Manufacturers, Suppliers, and Contractors

March 13, 2019

2:00 PM

Presented by
U.S. EPA

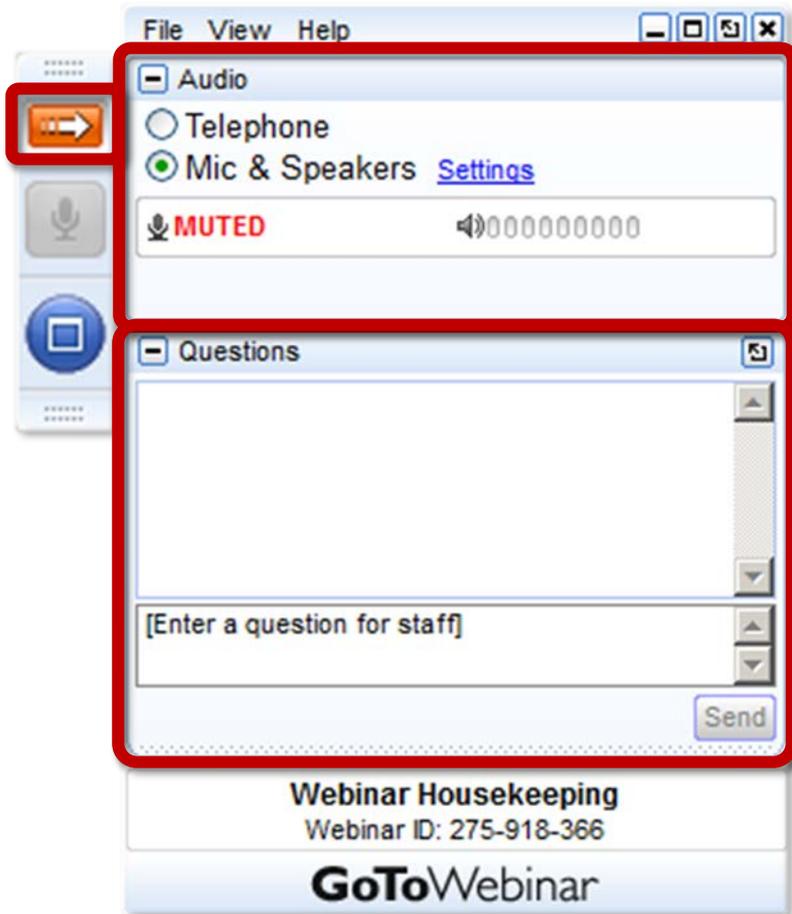
Training Logistics

- Presentation by EPA staff including:
 - Office of Wastewater Management
 - Greg Gwaltney
 - Office of Ground Water and Drinking Water
 - Jorge Medrano
 - Dallas Shattuck

- Q&As will be addressed **AFTER** the presentation.

- Slides will be provided to all registered participants following today's presentation.

Webcast Logistics



Your Participation

Join audio:

- Choose **Mic & Speakers** to use VoIP, OR
- Choose **Telephone** and dial using the information provided

Submit questions and comments via the **Questions** panel

EPA staff will be responding to your written questions throughout the Webcast.

Training Objectives

- Background
- AIS Requirements
 - Roles and Responsibilities
 - Project Coverage
 - Product Coverage
- Waivers and Waiver Process
- Documenting Compliance
- Informal Site Visits
- AIS Resources



Background – What is AIS?

- The "American Iron and Steel" provision requires assistance 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)
- On **June 10 2014**, the Water Resources Reform and Development Act (WRRDA) made AIS permanent for CWSRF
- On **October 23, 2018**, Section 1452(a)(4)(A) of the Safe Drinking Water Act (SDWA) extended the AIS requirement for the DWSRF through September 2023

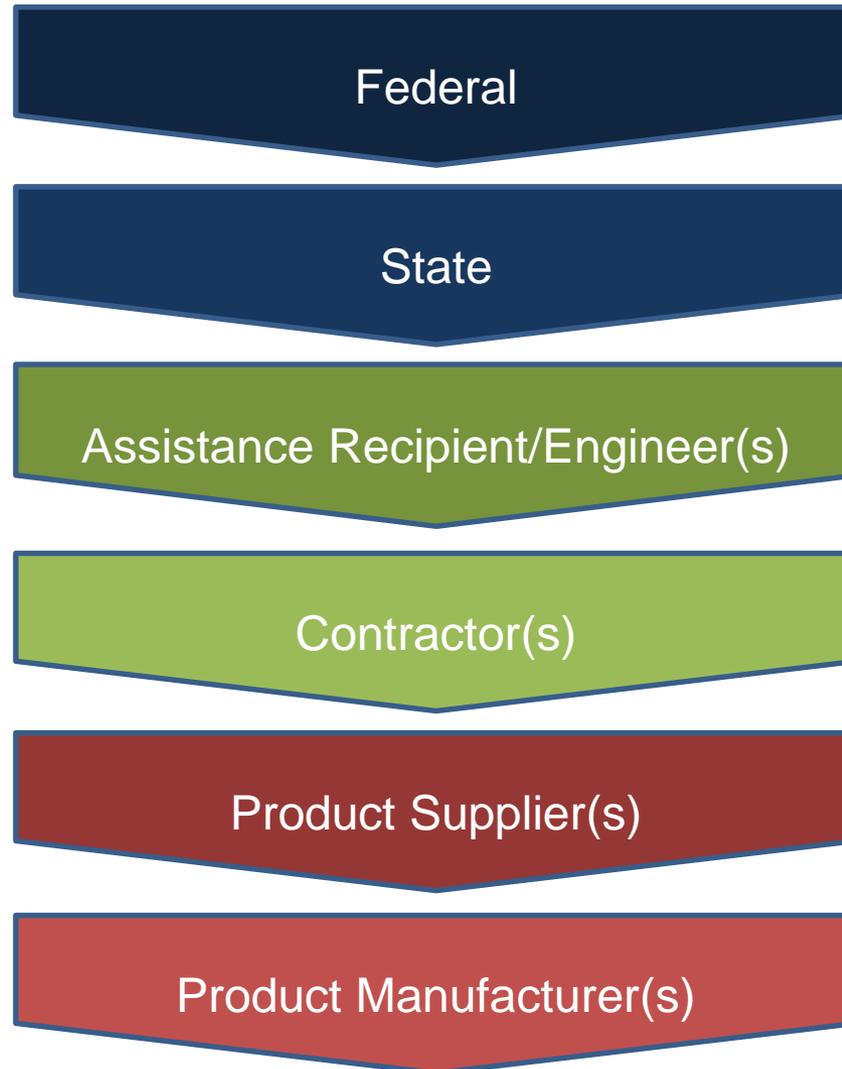


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WHO IS RESPONSIBLE FOR AIS COMPLIANCE?



Roles and Responsibilities: Who is Responsible for AIS Compliance?



Roles and Responsibilities: Contractor

- ⦿ Communicate project need for AIS-compliant products to suppliers/distributors
- ⦿ Procure AIS-compliant products
- ⦿ Obtain necessary AIS certifications from product manufacturers as early as possible in construction and bid process





Roles and Responsibilities: Supplier/Distributor

- ◉ Procure AIS-compliant products
- ◉ Obtain necessary AIS certifications from product manufacturers
- ◉ When ordering products, let manufacturers know that AIS applies

Roles and Responsibilities: Product Manufacturer

- ⦿ Supply AIS-compliant products
- ⦿ Provide AIS certification letters documenting all manufacturing processes for product occurred in the U.S.
- ⦿ Provide other relevant product documentation regarding AIS requirements
 - Example: Cost calculation showing a product is not primarily iron or steel (<50%) when necessary or requested by assistance recipient



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DOES THE PROJECT HAVE TO COMPLY WITH AIS?



What Projects are Covered by AIS?

- All treatment works projects funded by a CWSRF assistance agreement
- All public water system projects funded by a DWSRF assistance agreement
- Projects with an assistance agreement signed on or after January 17, 2014



Phased Projects

- ◉ Intentional splitting of projects into separate and smaller contracts or assistance agreements will not avoid AIS coverage on a portion of a larger project.
- ◉ Multi-phased projects are considered a single project if they are closely related in **purpose, place, and time.**
- ◉ If a project receives any SRF funding, the entire project has to comply with AIS.

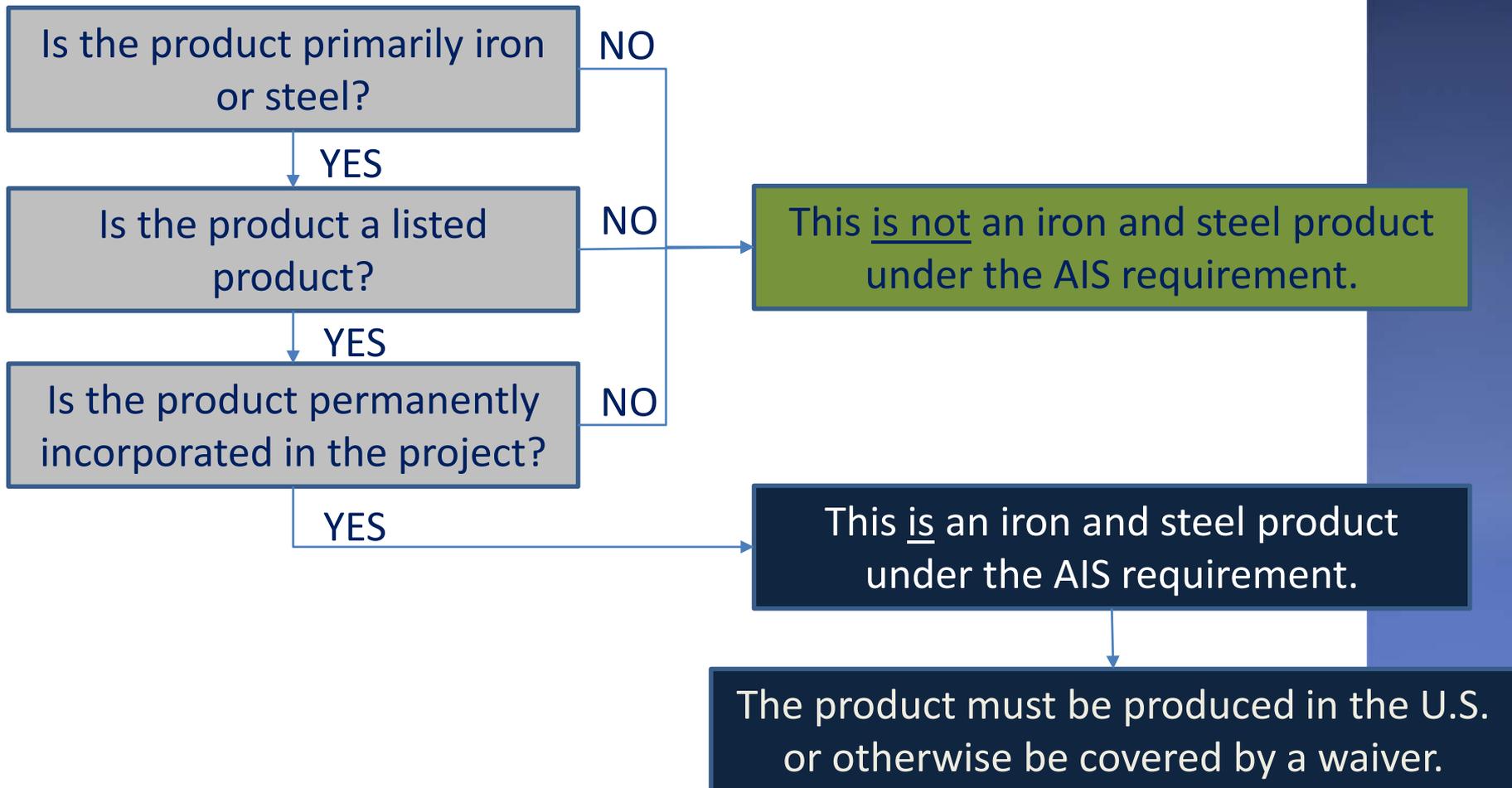


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WHAT IS AN IRON AND STEEL PRODUCT UNDER THE AIS REQUIREMENT?



What is an Iron and Steel Product Under the AIS Requirement?





Is the Product “Primarily” Iron or Steel?

- What is “Primarily” Iron or Steel?
 - Products greater than 50% iron or steel, measured by material costs only (not labor, overhead, shipping, etc.).
- How do I calculate material cost?
 - Fire hydrant example:
 - Iron or steel components – bonnet, body and shoe
 - Other material costs – stem, coupling, valve, seals, and other non-iron or steel internal workings
 - Assembly of the internal workings into the hydrant body would not be included in cost calculation





Is the Product a Listed Product?

- Lined or unlined pipes or fittings
- Manhole Covers
- Municipal Castings*
- Hydrants
- Tanks
- Flanges
- Pipe clamps and restraints
- Valves
- Structural steel *
- Reinforced precast concrete*
- Construction materials*

*Several "listed products" are actually categories of products

Listed Products: Structural Steel

- Rolled flanged shapes, having at least one dimension of their cross-section three inches or greater, which are used in construction of buildings (such as treatment plants, pump stations, etc.)



- Such shapes are designated as:
 - Wide-flange shapes
 - Standard I-beams, channels, angles, tees and zees
 - H-piles
 - Sheet piling
 - Tie plates
 - Cross ties
 - Other special purpose

Listed Products:

Municipal Castings

- Access Hatches
- Ballast Screen
- Benches (Iron or Steel)
- Bollards
- Cast Bases
- Cast Iron Hinged Hatches, Square and Rectangular
- Cast Iron Riser Rings
- Catch Basin Inlet
- Cleanout/Monument Boxes
- Construction Covers and Frames
- Curb and Corner Guards
- Curb Openings
- Detectable Warning Plates
- Downspout Shoes (Boot, Inlet)
- Drainage Grates, Frames and Curb Inlets
- Inlets
- Junction Boxes
- Lampposts
- Manhole Covers, Rings and Frames, Risers
- Meter Boxes
- Service Boxes
- Steel Hinged Hatches, Square and Rectangular
- Steel Riser Rings
- Trash receptacles
- Tree Grates
- Tree Guards
- Trench Grates
- Valve Boxes, Covers and Risers

Listed Products:

- Municipal Castings
- Manhole Covers



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Listed Products:

Reinforced Precast Concrete

- ◉ Typically not primarily iron and steel, but is a listed product
- ◉ Reinforcing bar and wire must be domestic
- ◉ Casting of concrete must occur domestically
- ◉ Raw materials (e.g., cement, additives) do not need to be domestic.



Listed Products:

Construction Materials

- Articles, materials, or supplies, not including mechanical and/or electrical components, equipment and systems
- Examples:
 - Concrete reinforcing bar, rebar, wire rod
 - Fasteners
 - Framing, joists, trusses
 - Decking, grating, railings, stairs, ladders
 - Fencing, doors

Listed Products: Construction Materials





Is the Product Permanently Incorporated in the Project?

- Products that are intended to be permanently installed at the project site, including:
 - Spare parts
 - Materials left in place or buried
 - Examples: sheet piling, bypass valves



What is an Iron and Steel Product Under the AIS Requirement?

- ^{YES} Is the product primarily iron or steel?
- ^{YES} Is the product a listed product?
- ^{YES} Is the product permanently incorporated in the project?

If the product meets all the criteria above ^{YES}, then it is an iron and steel product under the AIS requirement and must be produced in the United States (or otherwise covered by a waiver).

What is “Produced in the United States?”

- ⦿ Manufacturing and processing of iron or steel must occur in the U.S, including:
 - Melting
 - Drawing
 - Refining
 - Finishing
 - Forming
 - Fabricating
 - Rolling
 - Assembly
- ⦿ All processes must take place in the U.S., except:
 - Steel additives refining
 - External coating surface of iron/steel components



Exceptions: Which Products Do Not Have to be Produced in the U.S.?

- ⦿ Raw materials, such as iron ore, limestone and iron and steel scrap
- ⦿ Non-iron or non-steel components of a primarily iron and steel product
- ⦿ Products that do not fall under any of the listed products
- ⦿ Mechanical/electrical equipment (if not a listed product)
- ⦿ Appurtenances of assemblies where the primary component is a non-covered product



Which Products Do Not Have to be Produced in the U.S.?

Non-Construction Materials

- Materials that are not considered construction materials for the purpose of the AIS requirement, including mechanical and electrical components, equipment and systems
- Examples:
 - Pumps, motors, VFDs, valve actuators
 - Flow meters, sensors, SCADA
 - Disinfection systems, membrane filtration systems



Which Products Do Not Have to be Produced in the U.S.?

Assemblies if not a listed product

- ⦿ AIS requirements only apply to final products, as delivered to the work site and incorporated into the project
- ⦿ Assemblies, such as a pumping assembly or a reverse osmosis packaged plant, are products with a distinct purpose.
- ⦿ Assemblies with primary components that are not listed as covered iron and steel products do not need to be made in the U.S. or composed of all U.S. parts.

Which Products Do Not Have to be Produced in the U.S.?

Appurtenances of non-listed products

- ⦿ Appurtenances are items that are used for re-assembling after shipping and connecting the assembly to the rest of the treatment system.
- ⦿ If an assembly is exempt from AIS requirements, those appurtenances shipped as part of the assembly are also exempt.
- ⦿ Items that are not purchased as part of the assembly (i.e., purchased separately), are not considered appurtenances to an assembly that may be subject to this exemption.



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WHAT IS AIS CERTIFICATION?



What is AIS Certification?

- ⦿ A letter asserting that all manufacturing processes for the purchased product occurred in the U.S.
- ⦿ Can be a Step Certification if there are multiple parties involved in the manufacturing processes.
 - Step Certification means each handler (supplier, fabricator, manufacturer, processor, etc.) certifies their individual step(s) in the process occurred in the U.S.

Who is Responsible for AIS Certification?

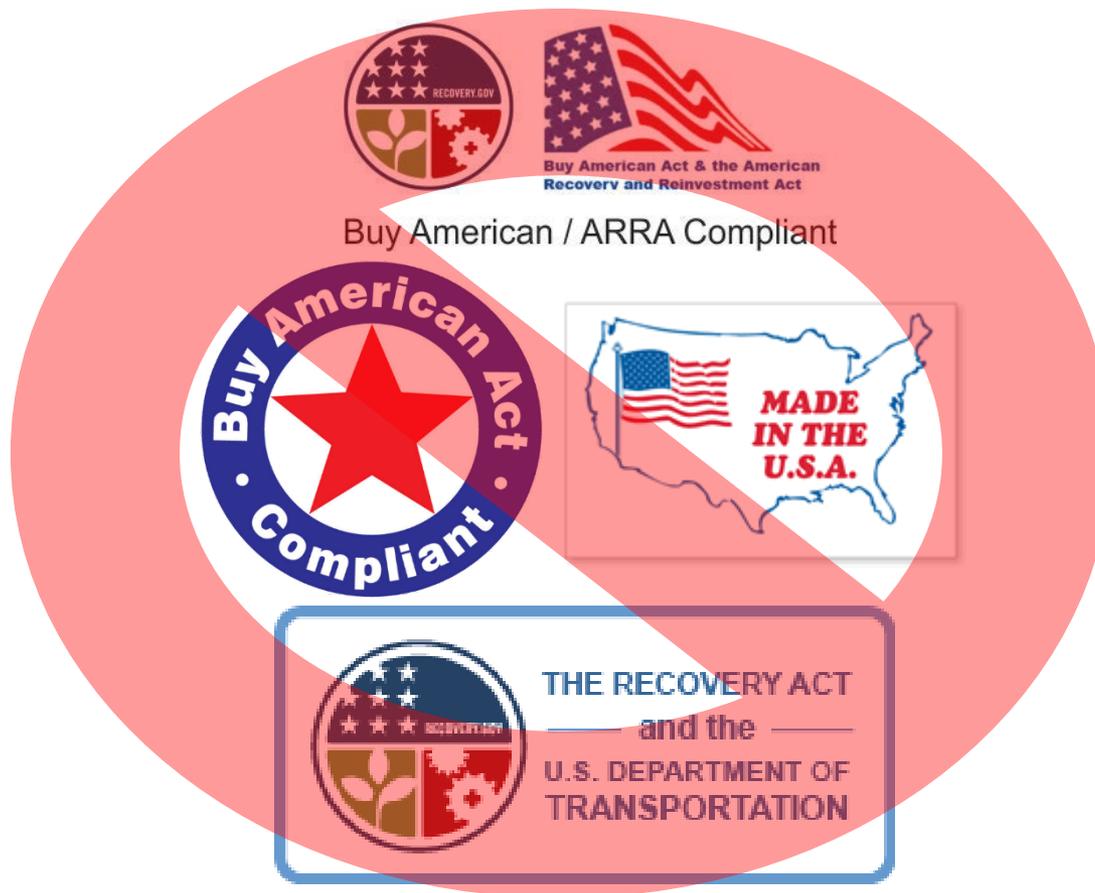
- Product manufacturer should provide the AIS certification letter for each AIS-compliant product
- Supplier collects and provides AIS certification letters for products that they sell to customers

Certification Letter – Key Elements

- ◉ What is the product? Letter should list specific product(s) delivered to project site.
- ◉ Where was it made? Letter should include location(s) of foundry/mill/factory where product was manufactured (City and State).
- ◉ To whom was it delivered? Letter should include name of project and/or jurisdiction where product was delivered.
- ◉ Signature of company representative. On company letterhead.
- ◉ Reference AIS requirements. Especially if reference other domestic preference laws.

Do Other 'Buy American' Letters Work for EPA's AIS Requirement?

- Short answer: No!





Sample Certification Letter

The following information is provided as a sample letter of **step** certification for AIS compliance. Documentation must be provided on company letterhead.

Date

Company Name

Company Address

City, State Zip

Subject: American Iron and Steel Step Certification for Project (XXXXXXXXXXXX)

I, (company representative), certify that the (melting, bending, coating, galvanizing, cutting, etc.) process for (manufacturing or fabricating) the following products and/or materials shipped or provided for the subject project is in full compliance with the American Iron and Steel requirement as mandated in EPA's State Revolving Fund Programs.

Item, Products and/or Materials:

1. Xxxx
2. Xxxx
3. Xxxx

Such process took place at the following location:

If any of the above compliance statements change while providing material to this project we will immediately notify the prime contractor and the engineer.

Signed by company representative

AIS Certification – Common Mistakes

- ⦿ Manufacturers or suppliers not referencing specific project and product information
- ⦿ Suppliers or contractors relying on ‘Made in the USA’ stampings or stickers as proof of AIS compliance
- ⦿ Manufacturers misinforming suppliers or consulting engineers on AIS certification requirements OR suppliers misinforming engineers or contractors
- ⦿ Manufacturers not referencing AIS requirements



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WHAT IS AN AIS WAIVER?



Waiver Authority

- ◎ The statute permits EPA to issue waivers for a case or category of cases where EPA finds:
 - That applying these requirements would be inconsistent with the public interest
 - OR
 - Iron and steel products are not produced in the U.S. in sufficient and reasonably available quantities and of a satisfactory quality
 - OR
 - Inclusion of iron and steel products produced in the U.S. will increase the cost of the overall project by more than 25%.

National Waivers

- EPA has the authority to issue waivers that are national in scope
- National waivers may be for availability of specific products or in the public's interest
- Five national waivers approved to date
 - De Minimis
 - Minor Components
 - Plans and Specs
 - Stainless Steel Nuts/Bolts in Pipe Restraint Type Products
 - Pig Iron

** These national waivers are immediately available for project use. You do not need EPA approval to use these waivers.

National Waivers:

De Minimis

- ⦿ Allows SRF project a small percentage of incidental products of unknown or non-domestic origin
 - 5% total material cost
 - 1% max for any single item
- ⦿ Users of the de minimis waiver should maintain documentation of all the de minimis items in a project

Minor Components

- ⦿ Allows the product manufacturer to include non-domestic, minor components in AIS-compliant products (up to 5% of material cost of the product)
 - Example: a valve with stainless steel pins and springs could make use of the waiver.

National Waivers:

Plans and Specifications

- AIS requirements waived for eligible projects with engineering plans and specs:
 - Submitted to state agency by January 17, 2014
 - Approved by state agency before April 15, 2014

Pig Iron

- Allows product manufacturer the use of pig iron and direct reduced iron manufactured outside the U.S. to be used in the manufacturing process for iron and steel products

National Waivers:

Stainless Steel Nuts and Bolts in Pipe Restraint Type Products

- Allows product manufacturer the use of non-domestic stainless steel nuts and bolts in certain specified products commonly used in SRF projects
- Final extension is retroactive and sunsets February 2020



Project/Product-Specific Waivers

- ◉ A recipient may apply (through the state) for a project-specific waiver
- ◉ These waivers request the use of a specified non-domestic product for a specific project.
- ◉ Other CWSRF- or DWSRF-funded projects that wish to use the same non-domestic product must apply for a separate waiver.





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WHAT ARE INFORMAL SITE VISITS?



Informal Site Visits

- **Goals:**
 - To visit at least one project in every state every three years
 - To discuss AIS with involved parties on a project-specific level
 - To observe AIS implementation at various stages of project construction
- **To date, our EPA AIS Team has visited more than 300 Clean Water and Drinking Water SRF projects in 50 states**
- **Most common observations**
 - Inadequate or missing certification letters
 - Unfamiliarity with available national waivers



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WHERE CAN I FIND EPA AIS RESOURCES?



Where Can I Find EPA AIS Resources?

- Website: <http://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement> (Or just search “SRF AIS”)
- Website Contents
 - Guidance: Implementation memorandum and subsequent Q&A documents to assist SRF recipients in complying with AIS requirements
 - Training Materials
 - Waivers: Information about project-specific and national waivers, and the waiver process

Where Can I Find EPA AIS Resources?

- ◉ Email: SRF_AIS@epa.gov
- ◉ Typical inquiries received:
 - What is AIS and what do I need to do?
 - Does this product need to be AIS-compliant?
 - Is this certification letter appropriate to use?
 - What is the waiver request process?



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American Iron and Steel (AIS) Requirements for State Revolving Funds

THANK YOU!

AIS Questions:

- SRF_AIS@epa.gov

EPA AIS website:

<http://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement>