

OFFICE OF WATER

## **DECISION MEMORANDUM**

- **SUBJECT:** Project Waiver of American Iron and Steel Requirements to the City of Roseville in California for Stainless-Steel Ball Valves for Compressed Natural Gas Service
- FROM: Andrew Sawyers, Director Office of Wastewater Management

<u>Decision</u>: The U.S. Environmental Protection Agency (EPA) is hereby granting a project waiver pursuant to the "American Iron and Steel" (AIS) requirements of the Clean Water Act Section 608 under the authority of Section 608(c)(2) to the City of Roseville, California (Applicant) for 1-inch stainless-steel ball valves for compressed natural gas (CNG) service. This waiver permits the use of these stainless-steel ball valves, manufactured outside of the United States, in the Pleasant Grove Wastewater Treatment Expansion and Energy Recovery Project, because no domestic manufacturers produce alternatives that meet the project's technical specifications and comply with the AIS requirements.

This waiver applies only to the proposed project funded by the Clean Water State Revolving Fund (CWSRF). Any other jurisdiction with projects funded by either the CWSRF, the Drinking Water State Revolving Fund, or the Water Infrastructure Finance and Innovation Act that wishes to use the same products must apply for a separate waiver.

<u>Rationale</u>: Section 608 of the Clean Water Act requires CWSRF assistance recipients for treatment works projects to use specific iron and steel products that are produced in the United States. EPA has the authority to determine whether it is necessary to waive this requirement based on certain circumstances set forth in Section 608(c) of the Clean Water Act. The provision states that, "[the requirements] shall not apply in any case or category of cases in which the Administrator [of EPA] finds that  $- \ldots$  (2) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality."

Background of Waiver Request: The Applicant provided information to EPA asserting

that there are no domestic manufacturers producing 1-inch stainless-steel ball valves for CNG service, in sufficient and reasonably available quantities and of a satisfactory quality. The ball valves are specified to meet the 5,000-psi pressure requirement, constructed with 316 stainless-steel valve bodies, with valve connections specified for a 1-inch outside diameter.

<u>Assessment of Waiver Request</u>: EPA conducted market research and a public comment period on the supply and availability of high pressure, 1-inch stainless-steel ball valves for CNG service. The basis of evaluation included thorough review of the waiver request submission, examination of domestic manufacturer catalogs or other technical data and marketing materials, personal communication with domestic manufacturers, inquiries of state staff, and outreach to contractors and engineers with expertise and familiarity with the project. During market research, EPA contacted fifteen (15) manufacturers and suppliers of stainless-steel pipes and fittings. None of the manufacturers stated that they produced the domestic products.

EPA received one public comment to the waiver request. The comment was from one of the suppliers contacted by EPA during market research. During the research inquiry, this supplier originally stated that they were unable to provide AIS compliant products to meet the project specifications. However, through public comment, this supplier asserted that they could provide AIS compliant products meeting the project specifications. EPA provided the supplier's comment information to the Applicant, which then directly communicated with the supplier. However, through email communication between the supplier and the project, the supplier admitted that they could not, in fact, provide AIS compliant products. This is verified through the communication between the supplier and the project and documented in a letter dated July 1, 2021. Therefore, EPA agrees with the assessment that no domestic manufacturers produce available products meeting the project's performance-based specifications.

<u>Finding</u>: Since the Applicant established a proper basis to specify particular products required for this project, and because EPA substantiated the Applicant's claim through market research that these products are not available from a manufacturer in the United States, the City of Roseville in California is hereby granted a waiver from the AIS requirements. This waiver permits the purchase of high pressure, 1-inch stainless-steel ball valves for compressed natural gas service, as documented in the State of California's waiver request submittal on behalf of the Applicant dated May 4, 2021.

If you have any questions concerning the contents of this memorandum, please contact Timothy Connor, Chemical Engineer, Water Infrastructure Division, at connor.timothy@epa.gov or (202) 566-1059.