

OFFICE OF WATER

DECISION MEMORANDUM

SUBJECT: Project Waiver of American Iron and Steel Requirements to the City of San Diego, California for Pressure Reducing Valves

FROM: Andrew D. 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 33 U.S.C. §3914 under the authority of §3914(c)(2) to the City of San Diego (Applicant) for ½-inch to 2-inch pressure reducing valves. This waiver permits the use of these valves, produced outside the United States and in the specific sizes requested, in the Applicant's Pure Water San Diego Program Phase 1: North City Project, because no domestic manufacturers produce alternatives that meet the project's technical specifications.

This is a product specific waiver and only applies to the use of the specified products for the proposed project funded by the Water Infrastructure Finance and Innovation Act (WIFIA). Any other entity with projects funded by either WIFIA or the State Revolving Funds (SRFs) that wishes to use the same products must apply for a separate waiver.

<u>Rationale:</u> According to 33 U.S.C. §3914, WIFIA loan recipients must use specific domestic iron and steel products that are produced in the United States if the project is funded through WIFIA. EPA has the authority to determine whether it is necessary to waive this requirement based on certain circumstances set forth in 33 U.S.C. §3914(c)(2). The provision states that, "[the requirements] shall not apply in any case or category of cases in which the Administrator [of the Environmental Protection Agency] finds that–...(2) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality."

<u>Background of Waiver Request</u>: The Applicant provided information to EPA asserting that there are no manufacturers producing ½-inch to 2-inch type V711 pressure reducing valves in sufficient and reasonably available quantities and of a satisfactory quality. The project requires installation of these valves in the seal water and utility water high pressure lines throughout the facility.

<u>Assessment of Waiver Request</u>: EPA conducted market research and a public comment period on the supply and availability of ½-inch to 2-inch pressure reducing valves. 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. For market research, EPA contacted seventeen (17) manufacturers and suppliers of ½-inch to 2inch pressure reducing valves for water and wastewater applications. One (1) responded indicating that they had potential domestic alternatives. However, the Applicant found no available products after communications with the manufacturers, as documented in a letter dated May 4, 2022. There were no public comments. Therefore, EPA agrees with the assessment that no domestic manufacturers produce available products meeting the project's specifications.

<u>Finding</u>: Since the Applicant established a proper basis to specify the products required for this project, and because EPA substantiated the Applicant's claim that these products are not available from a manufacturer in the United States, the City of San Diego, California is hereby granted a waiver from the AIS requirements for the Pure Water San Diego Program Phase 1: North City Project. This waiver permits the purchase of the specified pressure reducing valves, documented in the Applicant's waiver request submittal to WIFIA, dated March 17, 2022.

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.