



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

OFFICE OF WATER

DECISION MEMORANDUM

SUBJECT: Project Waiver of American Iron and Steel Requirements to Soquel Creek Water District, California for AWWA Butterfly Valves and Check Valves

FROM: Andrew D. Sawyers, Director
Office of Wastewater Management

**ANDREW
SAWYERS**

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Decision: 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 Soquel Creek Water District in California (applicant) for AWWA Butterfly Valves and Check Valves. This waiver permits the use of these valves, produced outside the United States and in the sizes requested, for the borrower’s Pure Water Soquel Program (the project) because no domestic manufacturers produce alternatives that meet the project’s technical specifications or that can be delivered to the project without causing significant delays to the project schedule.

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 a project funded by either WIFIA or the State Revolving Funds (SRFs) that to use the same products must apply for a separate waiver.

Rationale: 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.”

Background of Waiver Request: The borrower provided information to EPA asserting that there are no manufacturers producing certain types of AWWA butterfly valves and check valves in sufficient and reasonably available quantities and of a satisfactory quality. The borrower requested a waiver for: 14-inch AWWA butterfly valves, 6-inch swing check valves, 8-inch swing check valves, 12-inch swing check valves, 10-inch double disc check valves, and 16-inch double disc check valves. The borrower indicated that butterfly valves and check valves that meet the project’s specifications are not currently available in sufficient and reasonably available quantities.

Assessment of Waiver Request: EPA conducted market research on the supply and availability of the valves. The basis of evaluation included a thorough review of the waiver request submission, examination of domestic manufacturer catalogs or other technical data and marketing materials, personal communication with domestic manufacturers, and outreach to contractors and engineers with expertise and familiarity with the project. For market research, EPA contacted 11 manufacturers and suppliers of butterfly valves and check valves for water and wastewater applications.

One butterfly valve manufacturer indicated they could deliver a valve that met the project specifications within 12-14 weeks. The applicant followed up with the manufacturer through their regional distributor and was quoted a 22-week lead time for the AIS-compliant valves as compared to a 4-week lead time for non-domestic butterfly valves. Since the borrower would be required to order their valves through the regional distributor and the lead time for an AIS-compliant valve would lead to a significant delay in the project schedule, the EPA concurs with the borrower's assessment that there are no domestic AWWA butterfly valves that can meet their project specifications and be delivered within a reasonable timeframe.

The market research found no manufacturers that could deliver AIS-compliant double disc check valves within a reasonable timeframe. Two swing check valve manufacturers indicated they had potential domestic alternatives that could be delivered within a timeframe that would not adversely delay the project. One potential manufacturer claimed they could deliver all the requested sizes of swing check valves within an 8-10-week timeframe. However, the lay length of the domestic valves differed from those listed in the borrower's project specifications. Incorporating these domestic valves would require changes to the existing ductile iron pipe design surrounding the valves and would require new ductile iron pipe spools, which also have a long lead time and would lead to significant delays in the project schedule. The second manufacturer claimed that they could deliver the 6-inch AIS-compliant swing check valves within a reasonable timeframe. The borrower followed up with the manufacturer and was not able to get a response confirming they have AIS-compliant products. Further, the applicant reviewed the manufacturer's catalog but did not find compatible products that could meet their technical specifications. Based on the applicant's communication with the potential manufacturers and further evaluation of the potential domestic options, EPA agrees with the borrower's assessment that there are no domestic swing and double disc check valves that can meet the project specifications or be delivered within a reasonable timeframe.

EPA posted the waiver request for public comment and received no public comments.

Finding: Since the borrower established a proper basis to specify the butterfly valves and check valves required for this project, and because EPA substantiated the borrower's claim that the specified butterfly valves and check valves are not available from a manufacturer in the United States, the Soquel Creek Water District is hereby granted a waiver from the AIS requirements for the Pure Water Soquel Program. This waiver permits the purchase of the specified AWWA butterfly valves and check valves, as documented in the borrower's waiver request submittal to WIFIA, dated November 30, 2022.

If you have any questions concerning the contents of this memorandum, please contact Kavita Mak, Environmental Engineer, WIFIA Management Division, at mak.kavita@epa.gov or (202) 566-2999.