

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

OFFICE OF WATER

DECISION MEMORANDUM

SUBJECT: Project Waiver of American Iron and Steel Requirements to the City of San Diego

California for Stainless-Steel Small-Bore Class 2000/3000# Fittings

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" requirements of 33 U.S.C. §3914 under the authority of §3914(c)(2) to the City of San Diego, California (Applicant) for Stainless-Steel Small-Bore Class 2000/3000# Fittings. This waiver permits the use of this product, produced outside the United States, and in the specific size requested, at the 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 jurisdiction 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.

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 Applicant provided information to EPA asserting that there are no manufacturers producing ½" up to 2" threaded and socket weld forged: ASME B16.11, ASTM A182/A182M, Grade T316, F316/316L, class 2000/3000# stainless-steel small-bore pipe fittings in sufficient and reasonably available quantities and of a satisfactory quality. The project includes the installation of these stainless-steel fittings throughout the facility throughout the project's scope of work. The installation of such products is an integral part of the plant that will supply water to the residents of San Diego.

Assessment of Waiver Request: EPA conducted market research and a public comment period on the supply and availability of Stainless-Steel Small-Bore Class 2000/3000# Fittings. 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 fifteen (15) manufacturers and suppliers of stainless steel for water and wastewater applications. Two (2) responded indicating that they did not have potential domestic alternatives. EPA received no (zero) public comments to the waiver request. Therefore, EPA agrees with the assessment that no domestic manufacturers produce products meeting the project's specifications.

<u>Finding</u>: Since the Applicant established a proper basis to specify the Stainless-Steel Small-Bore Class 2000/3000# Fittings required for this project, and because EPA substantiated the Applicant's claim that these products are not produced or readily 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 products as documented in the Applicant's waiver request submittal to WIFIA, dated June 12, 2023.

If you have any questions concerning the contents of this memorandum, please contact Forrest Petrich, Environmental Engineer, WIFIA Program, at petrich.forrest@epa.gov or 202-564-6134.