



# American Iron & Steel (AIS) Requirement for Clean Water and Drinking Water SRF Loans

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# What is AIS?

- Domestic Preference law applying to projects receiving SRF loans
- CWSRF: Permanently authorized by WRRDA
  - Section 608 of the Clean Water Act
- DWSRF: Reauthorized annually in Appropriations Bill
  - 2018: [\*\*\*new memo?]

# AIS vs. Buy American, etc

- ARRA – Buy American Requirement
- AIS does not include mechanical or electrical components
  - Valves? Yes (must be AIS compliant)
  - Pumps? No (AIS requirement does not apply)
- Compliance with other domestic preference laws is not sufficient



# When does AIS Apply?

- Mixed Funding - \$1 rule
  - If any phase of the project is getting even \$1 of SRF money, then AIS applies to all phases and aspects of the project
- Types of Projects
  - Public water system or treatment works
  - All aspects of the project – even if not related to project purpose (e.g. tree grates)
  - Multiple phases with different funding sources – if related in purpose, time, place

# Products Included

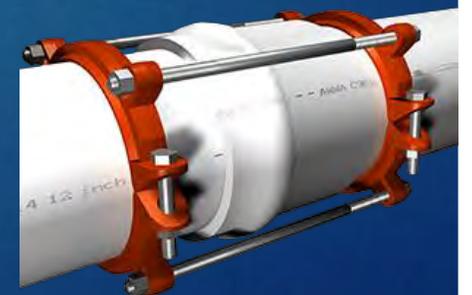
- List of included products
- Municipal castings
- Structural Steel
- Construction materials
- Reinforced precast steel



*Any permanently incorporated items where 50% or more of the material cost is iron or steel*

# List of Included Products

- Lined and unlined pipes and fittings
- Manhole covers
- Hydrants
- Tanks
- Flanges
- Pipe clamps and restraints
- Valves



# 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;
- Steel Riser Rings;
- Trash receptacles;
- Tree Grates;
- Tree Guards;
- Trench Grates; and
- Valve Boxes, Covers and Risers.
- \*\*\*These are only examples, not a complete list

# Structural Steel



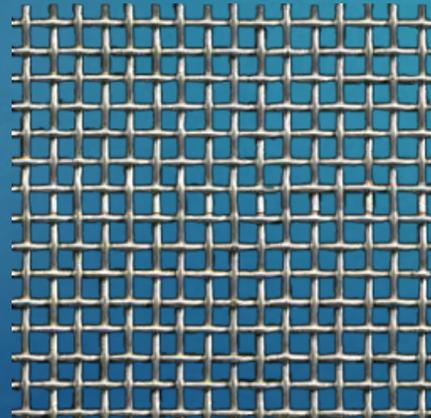
“Structural steel is rolled flanged shapes, having at least one dimension of their cross-section three inches or greater, which are used in the construction of bridges, buildings, ships, railroad rolling stock, and for numerous other constructional purposes. Such shapes are designated as wide-flange shapes, standard I-beams, channels, angles, tees and zees. Other shapes include H-piles, sheet piling, tie plates, cross ties, and those for other special purposes.”

EPA American Iron and Steel Guidance. Implementation of American Iron and Steel provisions of P.L. 113-76, Consolidated Appropriations Act, 2014

# Construction Materials

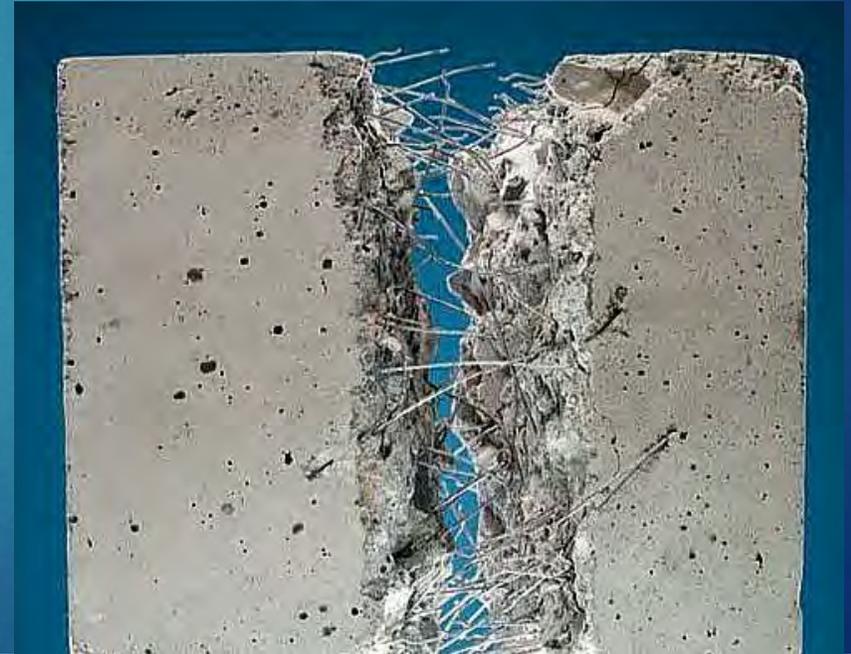
“This includes, but is not limited to, the following products: wire rod, bar, angles, concrete reinforcing bar, wire, wire cloth, wire rope and cables, tubing, framing, joists, trusses, fasteners (i.e., nuts and bolts), welding rods, decking, grating, railings, stairs, access ramps, fire escapes, ladders, wall panels, dome structures, roofing, ductwork, surface drains, cable hanging systems, manhole steps, fencing and fence tubing, guardrails, doors, and stationary screens.”

- Not considered construction materials: mechanical and electrical components, equipment, and systems and their appurtenances
- E.g. SCADA system with junction boxes purchased as one product – does not have to be AIS compliant



# Reinforced Precast Steel

- While not 50% or more iron or steel by material cost, AIS applies so reinforcing bar and wire must be produced in the U.S.
- Cement and other materials are not required to be produced in the U.S.
- Includes PCCP



# Manufactured in the U.S.

- All manufacturing processes must take place in the U.S. This includes:
  - Melting
  - Refining
  - Forming
  - Rolling
  - Drawing
  - Finishing
  - Fabricating
  - Coating

And other manufacturing processes

# Manufactured in the U.S.



- Metallurgical processes involving refinement of steel additives can take place outside the U.S.
- Raw materials (iron ore, limestone, iron and steel scrap, etc) do not have to come from the U.S.
- Non-iron or steel components of and iron or steel product do not have to come from the U.S.

# Compliance = Documentation

- Certification Letters must include:
  1. Project name or loan number
  2. Specific items and quantities
  3. Direct reference to AIS
  4. Signature of manufacturer representative
  5. Location of manufacturing

# Cert Letter Review & Assistance

- Send an email to the EPA HQ AIS team
- [SRF\\_AIS@epa.gov](mailto:SRF_AIS@epa.gov)
- [www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement](http://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement)

# Waivers

- Cost – compliant products will increase overall *project cost* by more than 25%
- Public Interest
- Availability
- National Waivers
  - Minor components
  - Temporary waivers
  - *de minimis*



## *de minimis* Waiver

- For incidental items that are not integral to the purpose of the project
- In total, less than 5% of material cost of project
- No single item can be more than 1% of material cost of project
- Tracking documentation
  - List specific items
  - Material cost of specific items
  - Project total material cost

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