

State Revolving Fund American Iron and Steel Guidance

Per the American Iron and Steel (AIS) requirement:

None of the funds made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or made available by a drinking water treatment revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12) shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works **unless all of the iron and steel products used in the project are produced in the United States.**

Iron and steel products means the following products made **primarily** of iron or steel:

- lined or unlined pipes and fittings,
- manhole covers and other **municipal castings**,
- hydrants,
- tanks,
- flanges,
- pipe clamps and restraints,
- valves,
- structural steel,
- reinforced precast concrete, and
- construction materials

AIS applies to all parts of a project that receives any amount of DWSRF funding.

The entire AIS guidance and approved waivers can be found here:

http://water.epa.gov/grants_funding/aisrequirement.cfm

Definitions

Primarily iron or steel: the above-listed products must be made of greater than 50% iron or steel, **measured by material cost.**

Steel: an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements. This includes carbon steel, alloy steel, stainless steel, tool steel and other specialty steels.

Produced in the United States: all manufacturing processes, including the application of coatings, must take place in the United States, with the exception of metallurgical processes involving refinement of steel additives. All manufacturing processes includes processes such as melting, refining, forming, rolling, drawing, finishing, fabricating and coating. Further, if a

domestic iron and steel product is taken out of the US for any part of the manufacturing process, it becomes foreign source material. However, raw materials such as iron ore, limestone and iron and steel scrap are not covered by the AIS requirement, and the material(s), if any, being applied as a coating are similarly not covered. Non-iron or steel components of an iron and steel product may come from non-US sources.

Municipal castings include:

- 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, Square and Rectangular;
- Steel Riser Rings;
- Trash receptacles;
- Tree Grates;
- Tree Guards;
- Trench Grates; and
- Valve Boxes, Covers and Risers

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.

Construction material: Construction materials are those articles, materials, or supplies made primarily of iron and steel, that are permanently incorporated into the project, not including mechanical and/or electrical components, equipment and systems. Some of these products may overlap with what is also considered “structural steel”. 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.

Mechanical and electrical components, equipment and systems, including housing/covers, are **not** construction material and are not required to be produced in the United States, including:

Pumps, motors, gear reducers, drives (including variable frequency drives (VFDs)), electric/pneumatic/manual accessories used to operate valves (such as electric valve actuators), mixers, gates, motorized screens (such as traveling screens), blowers/aeration equipment, compressors, meters, sensors, controls and switches, supervisory control and data acquisition (SCADA), membrane bioreactor systems, membrane filtration systems, filters, clarifiers and clarifier mechanisms, rakes, grinders, disinfection systems, presses (including belt presses), conveyors, cranes, HVAC (excluding ductwork), water heaters, heat exchangers, generators, cabinetry and housings (such as electrical boxes/enclosures), lighting fixtures, electrical conduit, emergency life systems, metal office furniture, shelving, laboratory equipment, analytical instrumentation, and dewatering equipment.

*Reinforced **precast** concrete:* the reinforcing bar and wire must be produced in the U.S. **and the casting** of the concrete product must take place in the U.S. The cement and other raw material are not required to be from the U.S.

Cast-in-Place reinforced concrete: only the **reinforcing bar and wire** are considered to be construction materials and must be produced in the U.S.

De minimis waiver: up to five percent of the total cost of the project's materials may be used for de minimis incidental components that are of an unknown origin or are not compliant with AIS. The cost of any individual item may not exceed one percent of the total cost of the materials used in and incorporated into a project. These incidental components include small washers, screws, fasteners (nuts and bolts), miscellaneous wire, corner bead, ancillary tube, etc. If applying the de minimis waiver to some of your project materials, a record must be kept of what are considered as incidental components (and the associated material cost) under this waiver and submit the list to DOH.

Waivers: A borrower may request a waiver if one or more of three conditions are met:

1. Applying the AIS requirements would be inconsistent with the public interest;
2. Iron and steel products are not produced in the USA in sufficient and reasonably available quantities and of satisfactory quality; or
3. Inclusion of iron and steel products produced in the USA will increase the cost of the overall project by more than 25 percent.

If the above condition(s) apply, the borrower must provide adequate information for EPA to evaluate the request, including:

1. A description of the foreign and domestic iron, steel, and/or manufactured goods;
2. Unit of measure;
3. Quantity;
4. Cost;
5. Time of delivery or availability;
6. Location of the project;
7. Name and address of the proposed supplier; and
8. A detailed justification of the reason for use of foreign iron or steel.

If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with P.L. 113-76 Section 436 section 1605 of the American Recovery and Reinvestment Act.

Please include the following American Iron and Steel language in the bid specifications for DWSRF projects:

Projects funded with monies from the Drinking Water State Revolving Fund are subject to the American Iron and Steel (AIS) requirement, such that all products made primarily of iron or steel must be produced in the United States. The Contractor shall submit certification that the material was produced in the United States or information necessary to verify an approved waiver of the AIS Requirement. Additionally, Contractor shall comply with, and shall execute and submit any written documentation or certification required by the AIS or other applicable law, rule or regulation. Failure to comply with AIS Requirements by the Contractor shall permit the Purchaser or State to recover as damages against the Contractor any loss, expense, or cost (including, without limitation, attorney's fees) incurred by the Purchaser or State resulting from any such failure (including, without limitation, any impairment or loss of funding, whether in whole or in part, from the State or any damages owed to the State by the Purchaser).

AIS Certifications

Compliance with AIS must be verified by a certification letter from the manufacturer which must include the following six (6) items:

1. The manufacturer/company letterhead;
2. A reference to the specific product(s) that were purchased;
3. The specific city and state of the foundry where the product was manufactured ("Made in the USA" is unacceptable);
4. To whom the product was delivered and for what project;
5. The signature of someone from the company/manufacturer; and
6. Specifically reference "AIS" compliance ("ARRA", "Buy American", etc. may also be referenced, but is not acceptable on its own).

Sample Certification 1 (Step Certification)

Date

Company Name

Company Address

City, State Zip

Subject: American Iron and Steel Step Certification for Project (XXXXXXXXXXXXXXXXXXXX)

I, (company representative), certify that the (melting, bending, coating, galvanizing, cutting, etc.) process for (manufacturing or fabricating) the following products and/or materials shipped or provided for the subject project to (contractor) is in full compliance with the American Iron and Steel requirement as mandated in EPA's State Revolving Fund Programs.

Item, Products and/or Materials:

- 1. XXXXXXX
- 2. XXXXXXX
- 3. XXXXXXX

Such process took place at the following location:

If any of the above compliance statements change while providing material to this project we will immediately notify the prime contractor and the engineer.

Signed by company representative

Sample Certification 2

Date

Company Name

Company Address

City, State Zip

Subject: American Iron and Steel Certification for Project (XXXXXXXXXXXXXXXXXXXX)

I, (company representative), certify that the following products and/or materials shipped or provided for the subject project to (contractor) is in full compliance with the American Iron and Steel requirement as mandated in EPA's State Revolving Fund Programs.

Item, Products and/or Materials:

1. XXXXXXXX
2. XXXXXXXX
3. XXXXXXXX

Such process took place at the following location:

If any of the above compliance statements change while providing material to this project we will immediately notify the prime contractor and the engineer.

Signed by company representative