



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 San Diego Public Utilities Commission in California for Flanges and Elbows

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

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 the San Diego Public Utilities Commission (Applicant) for stainless steel flanges and butt weld elbows. This waiver permits the use of these flanges and elbows, 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.

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 2-inch to 48-inch, schedule 10, 316 stainless steel flanges, or 3-inch to 18-inch 316 stainless steel butt weld elbows in sufficient and reasonably available quantities and of a satisfactory quality. The project requires installation of these flanges and elbows to assemble the piping systems together. This network of pipes is part of various water purification systems within the project that will clean recycled water to produce 30 million gallons per day of high-quality purified water, reducing the City's dependence on imported water.

Assessment of Waiver Request: EPA conducted market research and a public comment period on the supply and availability of the flanges and elbows. 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 nineteen (19) manufacturers and suppliers of 2-inch to 48-inch stainless steel flanges, and 3-inch to 18-inch stainless steel butt weld elbows for water and wastewater applications. Seven 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 April 1, 2022. EPA received one public comment to the waiver request. After direct communication with the commenter, as documented in a letter dated May 20, 2022, it was determined that the manufacturer does not produce flanges or elbows that meet the technical specifications of the project. Therefore, EPA agrees with the assessment that no domestic manufacturers produce available products meeting the project's specifications.

Finding: Since the Applicant established a proper basis to specify the particular 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 San Diego Public Utilities Commission in 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 stainless steel flanges and butt weld elbows, documented in the Applicant's waiver request submittal to WIFIA, dated March 11, 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.