

AIS (American Iron and Steel) requirements for Clean Water and Drinking Water SRF loans

David Dunn, PE
Department of Ecology

Joe Crossland
Department of Health

AIS (American Iron and Steel)

- Agenda
 - Who has to comply?
 - What are the requirements?
 - What products does this apply to?
 - What are the waivers and exceptions?
 - What kind of documentation do I need?

The AIS requirement

“No SRF funds 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.”

Who Does AIS Apply To?

- Any project funded in whole or in part with SRF loan funds
- Construction, alteration, maintenance, or repair of a **public water system** or **treatment works**
- The entire project
 - no matter when construction begins or ends
 - Including partial funding

What is a project?

- A “project” consists of all construction necessary to complete the building or work
- May involve multiple contracts or loan agreements.
- “closely related in purpose, time and place”.

What products are covered?

- Only Iron and Steel Products
 - primarily of iron or steel
 - more than 50% iron or steel
 - based on the material costs
 - Permanently incorporated into the project.
- Does not include mechanical or electrical components

Temporary Items

- Temporary Items are not required to be made of U.S. Iron or Steel
 - For example:
 - trench boxes
 - scaffolding or equipment
 - Other temporary items necessary to the project that are removed from the site upon completion.

What does “produced in the united states” mean?

- All manufacturing processes, must take place in the United States
- including application of internal linings,
- But not metallurgical processes involving refinement of steel additives

Manufacturing Processes

- melting,
- refining,
- forming,
- rolling,
- drawing,
- finishing,
- fabricating, and
- Coating.

Manufacturing Processes

- If any part of the manufacturing process occurs outside of the US, it becomes foreign product.
- Raw materials are not covered by the AIS requirement,
 - iron ore, limestone and iron and steel scrap
 - exterior coating material(s)
 - pig iron and direct reduced iron
- Non-iron or steel components of an iron and steel product may come from non-US sources.
 - valves and hydrants
- AIS does not apply to re-used items.

Other domestic preference legislation Don't Get Confused.

- Buy American Act
- But America Act (DOT projects)
- American Reinvestment and Recovery Act
- Trade Agreements

- Source of Raw materials?
- “all” or “substantially all”?
- US corporations or US workers?

Specific Products

Products Specifically Mentioned in the AIS requirement

1. Lined or unlined pipes or fittings;
2. Manhole Covers;
3. Municipal Castings* ;
4. Hydrants;
5. Tanks;
6. Flanges;
7. Pipe clamps and restraints;
8. Valves;
9. Structural steel* ;
10. Reinforced precast concrete* ; and
11. Construction materials* .

Municipal Castings

- Cast iron or steel products
- melted and cast
- typically provide access, protection, or housing for components
- Typically made of grey iron, ductile iron, or steel.

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

Structural steel

- Structural steel in rolled or flanged shapes
- I-beams, channels, angles, tees and zees.
- One dimension of their cross-section three inches or greater

Reinforced precast concrete

- The casting of the concrete product must take place in the US.
- We know that reinforced precast concrete is not 50% iron or steel, but it is specifically called out in the law.
 - Includes PCCP pipe
- The reinforcing bar and wire must be produced in the US
- The cement and other raw materials not required to be from the US.

Construction materials

- Construction materials are permanently incorporated into the project
- Construction Materials do not include mechanical and/or electrical components, equipment and systems.
- May overlap with what is also considered “structural steel”.

Examples of Construction materials

- 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.

Exceptions and Waivers

Exceptions & Waivers

- Exceptions
 - Loan execution
 - Design approval
- Waivers are available on a product by product basis.
 - The SRF agency must file the application for a waiver.
 - Full documentation must be provided by the loan recipient.

Exceptions

- Prior Design Approval
 - If your plans and specs were approved prior to April 15, 2014
 - Approval was by the state agency under normal course of business
 - OR bid advertisement date prior to April 15, 2014

All AIS requirements for the project are waived

Exceptions

- Prior Loan signature
 - If your **loan agreement was signed prior to January 17, 2014**, AIS requirements do not apply to the project
- This only applies to the project funded by that loan
 - If a new loan for a following phase , it may include the AIS requirements

Waivers

- When to apply for a waiver
 - As soon as possible
 - Iron and steel products should be evaluated during design
 - Pre-bid conferences can identify domestic availability
 - EPA has not committed to a timeline on waiver response
 - There is a required 15 day public comment period

Types of Waivers

- Public interest
 - Application must show that the AIS requirements would be inconsistent with the *public interest*
- Product waivers
 - Waiver application must show that domestic iron and steel products are not produced:
 - in sufficient and reasonably available quantities, or
 - of a satisfactory quality
 - i.e. you can not get the product you need from US sources
- Cost
 - Waiver application must show that the AIS requirement will increase the cost of the overall project by more than 25 percent.

How to apply for a waiver

- Communicate with your state contact
- If a waiver is advisable prepare a letter
 - Agency letterhead
 - Directed to state agency
 - Fully explain need and justification for the waiver
- State will work with you to refine and improve the letter
- State contact will submit the waiver request to EPA

Our Waiver Experience

- Most waivers issued are product waivers
- DOH emergency waiver
- City of Spokane plug valve public interest waiver
- National Waiver for Stainless Steel Nuts and Bolts used in Pipe Couplings, Joints, Flanges, etc.
- National *de minimis* waiver
- http://water.epa.gov/grants_funding/aisrequirement.cfm

de minimis waiver

- National waiver issued for *de minimis* items.
- *de minimis* items are:
 - incidental components
 - Low cost, miscellaneous character, procured in bulk
 - Washers, screws, fasteners, wire, corner bead, ancillary tubing, etc.
- Cost limits
 - Cumulative cost less than 5% of the total material cost of the project.
 - Any individual item less than 1% of the total material cost of the project
- To use the *de minimis* waiver you must document:
 - Specific *de minimis* items
 - Their cost
 - Project total material cost

Document
Document
Document

AIS Required Documentation

- Step certification.
 - Documentation of each step in the manufacturing process
 - Each handler certifies their step(s) took place within the United States
 - Creates a paper trail back to raw materials
- Certifications must state:
 - the name of the manufacturer,
 - the location of the manufacturing facility where the product or process took place (not its headquarters)
 - a description of the product, item, or process
 - a signature by a manufacturer's responsible party

AIS Required Documentation

- Certification examples:
 1. A refines iron ore, forms and rolls I-beams at their facility
 - One certification from A
 2. B refines iron ore to ingots. C melts the ingots and centrifugally casts ductile iron pipe. D applies an external coating to the pipe. E applies a glass lining to the pipe
 - 4 steps, 3 need certifications. (B, C and E) process
 - No certification required for external coating.
 - No certifications for the raw materials. Ore, glass frit, coating, etc.

Appendix B Sample Certification

The following information is provided as a sample form of a certification for AIS (Industry). Documentation must be provided as required below:

Date: _____

Company Name: _____

Company Address: _____

City, State, Zip: _____

Subject: American Iron and Steel (ing) Certification for Project 000000000000

I, the undersigned, certify that the product, material, coating, processing, etc., shown on the manufacturing or processing certificate is under my direct control or control for the subject project to be in compliance with the American Iron and Steel Requirement as required in Title 16, Code of Federal Regulations.

Sign, Print, and Date (Signature):

1. Name _____

2. Title _____

3. Date _____

Back please print each place on the following location:

If any of the above completion information changes while providing material to the project we will immediately notify the project contractor and the recipient.

Signed for company representative:

Site Visits

What to expect during site visits

American Iron and Steel (AIS)

Recipient maintains records for Iron and Steel products?

Spot check of Certifications for completeness and adequacy:

1. the status of the manufacturer,
2. what product(s) they are certifying,
3. what manufacturing processes they were responsible for,
4. the location of the manufacturing facility, and
5. a signature of a manufacturer's responsible party.

Recipient uses checks received equipment against the certification to ensure compliance.

Recipient returns change orders for AIS requirements.

Recipient documentation of all received Iron and Steel products

- Listing of all AIS received products and their material cost
- Documentation of the total material cost for the project
- Total cost of the AIS received items is less than 1% of the total materials cost

Has the Recipient had any difficulties finding domestic providers for Iron and Steel products?

Offer the Recipient assistance with a waiver for any Iron and Steel products.

Contacts & Resources

- David Dunn, Department of Ecology
 - (360) 407-6503
 - David.Dunn@ecy.wa.gov
- Joe Crossland, Department of Health
 - (360) 236-3166
 - Joseph.crossland@doh.wa.gov
- Other resources
 - http://water.epa.gov/grants_funding/aisrequirement.cfm

EPA central cite for AIS requirements, guidance, new waivers, public comment on waivers