

Revolving Fund Requirement: American Iron and Steel (AIS)

On June 10, 2014, the President signed the Water Resources Reform and Development Act of 2014 (WRRDA). WRRDA included several amendments to the Clean Water Act. Among the amendments is a requirement for some projects funded through the Clean Water State Revolving Fund (CWSRF) to purchase iron and steel products that are produced in the U.S. The requirements are referred to as “American Iron and Steel” or “AIS.”

The U.S. Environmental Protection Agency (EPA) prepared three guidance documents that address the implementation of the AIS provisions. The guidance documents are in the form of questions and answers. The guidance documents can be found at:

- http://water.epa.gov/grants_funding/upload/AIS-final-guidance-3-20-14.pdf.
- http://water.epa.gov/grants_funding/upload/AIS-QandA-Part-1-Valves-and-Hydrants-final.pdf.
- http://water.epa.gov/grants_funding/upload/AIS-QandA-Part-2_sept102014_FINAL.pdf.

The requirements apply to:

- Projects involving the construction, alteration, maintenance, or repair of wastewater or stormwater facilities funded in part or in full by the CWSRF for which the agreement is signed on or after January 17, 2014.
 - In cases where construction on the project began before January 17, 2014, the requirements apply to all construction that occurs on or after January 17, 2014.

The requirements do not apply if:

- The funding agreement was signed before January 17, 2014.
- Ecology approved the engineering plans and specifications before January 17, 2014.
- The project is strictly for planning or design.
- The project is an activity project.

MORE INFORMATION

More information is available at the Water Quality financial assistance website:

www.ecy.wa.gov/programs/wq/funding/funding.html

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Special accommodations

If you need this document in a format for the visually impaired, call the Water Quality Program at 360-407-6600.

Persons with hearing loss, call 711 for Washington Relay Service. Persons with a speech disability, call 877-833-6341.

What products do the requirements apply to?

- These requirements apply to iron and steel products only. The requirements do not apply to manufactured goods.
- The act defines iron and steel products as, “...*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.*”

Can our project be granted a waiver from the requirements?

- Waivers from the requirements are possible if the EPA Administrator finds that one of the following conditions exists:
 - The application of the requirements would be inconsistent with the public interest.
 - Iron and steel products are not produced in the U.S. in sufficient and reasonably available quantities and of a satisfactory quality.
 - Inclusion of iron and steel products produced in the U.S. will increase the cost of the overall project by more than 25 percent.
- Waivers are granted on a product by product basis. Waiver requests are submitted directly to EPA. Ecology staff is available to review the language of waiver requests. If a waiver will be required for an iron or steel product used in your project, the best time to obtain a waiver is during design of the project.

What language should be included in Engineering Plans and Specs?

- Ecology’s CWSRF specification insert includes the required language. The specification insert can be found at:
<http://www.ecy.wa.gov/programs/wq/funding/GrantLoanMgmtDocs/Eng/GrantLoanMgmtEngRes.html>.

What are the documentation requirements?

- Recipients must ensure that all applicable iron and steel products purchased as part of the construction project were produced in the U.S. and maintain appropriate documentation. Please see Question 25 in EPA’s guidance document at http://water.epa.gov/grants_funding/upload/AIS-final-guidance-3-20-14.pdf for additional information.

If this increases the cost of our project, can we get additional funds?

- Recipients may request additional funding to cover the cost of bid overruns where the low responsive bid exceeds the engineer’s estimate of construction costs. Ecology may provide additional CWSRF loan funds, subject to the availability of funds. If the overall project cost increases by more than 25 percent because of this requirement, you may apply for a waiver.