



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

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OFFICE OF WATER

DECISION MEMORANDUM

SUBJECT: One-Year Extension of the Short-Term National Product Waiver for Stainless Steel Nuts and Bolts used in Pipe Couplings, Restraints, Joints, Flanges and Saddles for State Revolving Fund Projects

FROM: Joel Beauvais
Deputy Assistant Administrator

A handwritten signature in black ink that reads "Joel Beauvais".

The U.S. Environmental Protection Agency hereby grants a one-year extension of the Short-Term National Product Waiver for Stainless Steel Nuts and Bolts used in Pipe Couplings, Restraints, Joints, Flanges and Saddles for State Revolving Fund Projects, pursuant to the "American Iron and Steel" requirements of the Clean Water Act Section 608 and P.L. 114-113, the "Consolidated Appropriations Act, 2016." The original waiver was signed on February 18, 2015. With the one-year extension, the waiver will expire February 18, 2017. This waiver permits the use of non-domestically produced stainless steel nuts and bolts in bolting-type pipe couplings, restraints, joints and repair saddles in iron and steel products for projects funded by a Clean Water or Drinking Water State Revolving Fund that may otherwise be prohibited absent this waiver.

The original, approved waiver (attached) provides details regarding the specific types of products covered by this waiver as well as the rationale for issuance of the original waiver. This national product waiver extension is short-term, applying to the covered products if those products are purchased up until February 18, 2017.

Rationale: The EPA reassessed the market for and supply of stainless steel nuts and bolts for the products of interest and was unable to gather sufficient evidence that there is an adequate domestic supply of stainless steel nuts and bolts for the subject products. Through the research effort, the agency found that the domestic supply of stainless steel nuts and bolts has increased since fall 2014 and there may be manufacturers that have the capability to meet the demand for stainless steel nuts and bolts. However, manufacturers were generally unable, or unwilling, to provide information about their production capacity. The agency did not receive evidence that there is an adequate national availability of stainless steel nuts and bolts.

In addition, the agency received five responses from manufacturers and suppliers after posting a draft version of this Decision Memorandum during a 15-day public comment period. Most comments were in favor of the waiver extension. Comments in support of the waiver extension claimed a remaining significant shortage in the supply of stainless steel nuts and bolts.

Manufacturers of the subject products claimed they would not be able to provide AIS-compliant products if this waiver is allowed to expire. Comments not in support of the waiver indicated that there may be some manufacturers that are able to source domestic stainless steel nuts and bolts for their products; however, most manufacturers indicated they are still faced with a supply shortage. Manufacturers that claimed they could provide domestic stainless steel nuts and bolts or products with domestic stainless steel nuts and bolts make up a small portion of the national market and the agency has not received evidence that these manufactures can produce products to meet the national demand.

Lacking evidence that manufacturers of stainless steel nuts and bolts used in the subject products can meet current demands, the agency is extending the national waiver for another year. Prior to the expiration of the waiver extension, the agency will research the market for and supply of stainless steel nuts and bolts and will reassess the need to further extend this waiver.

Legal Authority: Legal authority for the AIS requirements for CWSRF projects is included under Sec. 608(c)(2) of the Clean Water Act and previously under P.L. 113-76, the "Consolidated Appropriations Act, 2014," under the authority of Section 436(b)(2). Legal authority for the AIS requirements for DWSRF projects is included under P.L. 114-113, the "Consolidated Appropriations Act, 2016," under the authority of Section 424(b)(2) and also previously under P.L. 113-76 and P.L. 113-235. This waiver will continue in force for DWSRF projects under any continuing resolutions or statutes that use similar language as in Section 424 of the "Consolidated Appropriations Act, 2016."

Attachment