



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

MAY 27 2016

OFFICE OF
WATER

DECISION MEMORANDUM

SUBJECT: Availability-Based Project Waiver of American Iron and Steel Requirements for Dual-wall Stainless Steel Piping in the Old Bridge Municipal Utilities Authority Route 516 Fuel Storage Facility – Waiver Number 02-DW-0001

FROM: Peter Grevatt, Director
Office of Ground Water and Drinking Water

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The U.S. Environmental Protection Agency (EPA) is hereby granting an availability-based project-specific waiver pursuant to the American Iron and Steel (AIS) requirements to the Old Bridge Municipal Utilities Authority (OBMUA) for the purchase of 235 linear feet of 2-inch and 25 linear feet of 1-inch dual-wall stainless steel piping. This waiver permits the use of non AIS-compliant dual-wall stainless steel piping to be used in the OBMUA Route 516 Fuel Storage Facility Project in Old Bridge, New Jersey, because no known domestic manufacturers produce an alternative that meets the project's technical specification. This is a project-specific waiver and only applies to the use of the specified product for the referenced project funded by the Drinking Water State Revolving Fund (DWSRF). Any other project funded by either the Drinking Water or Clean Water State Revolving Fund (SRF) that wishes to use the same product must request a separate waiver based on the specific project circumstances.

Rationale: The AIS provisions require DWSRF assistance recipients to use specific domestic iron and steel products if the project is funded through an SRF assistance agreement unless the Agency determines that it is necessary to waive this requirement. The EPA has the authority to issue waivers in accordance with Section 424(b)(2) of Public Law 114-113, the "Consolidated Appropriations Act, 2016". The provision states in part: "[the requirements] shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency... finds that... iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality."

The referenced project is being constructed in Old Bridge, NJ to provide the OBMUA with emergency fuel storage capabilities to increase resiliency and address deficiencies discovered as a result of Superstorm Sandy. The project consists of installation of two (2) 10,000 gallon capacity above ground fuel storage tanks (one for gasoline, one for diesel fuel), four (4) fuel dispensers, an open-air canopy, roughly 260 linear feet of petroleum product piping between

tanks and dispensers, fuel management hardware and software, associated storm sewer installations and a backup diesel fuel generator with resistive load bank at the OBMUA maintenance yard.

Project specifications for petroleum product piping require dual-wall stainless steel piping. The specified piping consists of factory assembled dual-wall stainless steel piping, with both inner and outer walls being stainless steel, fire rated and UL 971A listed. The dual wall is a requirement of both State and Federal agencies for underground hazardous liquid transmission applications for leak containment and detection.

OBMUA attempted to find a domestic manufacturer of 2-inch and 1-inch stainless steel dual-wall piping and provided information to the EPA demonstrating that the specified piping is not domestically sourced and no domestic manufacturer of stainless steel dual-wall piping exists. Following this determination, alternatives including dual-wall fiberglass piping and field fabrication of domestically manufactured dual-wall stainless steel piping segments and fittings were explored. The fiberglass piping did not provide the same fire rating desired for this project, nor did it provide the same impact resistance for above grade applications nor seamless installation from tank to dispenser. Further, field fabrication and welding of the dual-wall piping would not have the same quality controls available through factory assembly. For these reasons, neither the fiberglass nor field fabrication of domestically sourced dual-wall stainless steel piping components offered a viable alternative.

The EPA conducted market research on the supply and availability of stainless steel dual-wall piping and concluded that there are no domestic manufacturers of these products that meet the project's technical specifications, supporting OBMUA's claim. While several companies could meet the UL 971A fire rating, none could meet the material requirements.

EPA is hereby granting an availability-based waiver from the AIS requirements to OBMUA for the Route 516 Fuel Storage Facility Project. This waiver permits the purchase of non-domestic 2-inch and 1-inch dual-wall stainless steel piping using DWSRF funds as documented in the State of New Jersey's waiver request submittal on behalf of the assistance recipient, dated March 21, 2016.

Legal Authority: 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. 113-235 and P.L. 113-76.

If you have questions concerning the contents of this memorandum, please contact Jorge Medrano, Environmental Engineer, Drinking Water Protection Division, at medrano.jorge@epa.gov or (202) 564-1968.