



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

JUN 07 2019

OFFICE OF WATER

DECISION MEMORANDUM

SUBJECT: Project Waiver of American Iron and Steel Requirements to The City and County of Honolulu, Hawaii, for Large Diameter Butterfly Valves

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

A handwritten signature in black ink, appearing to read "Andrew D. Sawyers", is written over the "FROM:" line.

The U.S. Environmental Protection Agency (EPA) hereby grants a project waiver pursuant to the "American Iron and Steel" requirements of the Clean Water Act Section 608 under the authority of Section 608(c)(2) to the City and County of Honolulu, Hawaii for the purchase of one 66-inch and four 60-inch butterfly valves. This waiver permits the use of the large diameter butterfly valves manufactured outside of the United States for the Honouliuli Wastewater Treatment project because no domestic manufacturers produce alternatives that meet the project's technical specifications within crucial timelines of the project. This is a project specific waiver and only applies to the use of the specified products for the proposed project funded by the Clean Water State Revolving Fund (CWSRF). Any other jurisdiction with projects funded by either the Clean Water or Drinking Water State Revolving Fund (DWSRF) that wishes to use the same products must apply for a separate waiver.

Rationale: According to Section 608 of the Clean Water Act, CWSRF assistance recipients must use specific domestic iron and steel products that are produced in the United States if the project is funded through the SRFs. The EPA has the authority to determine whether it is necessary to waive this requirement based on certain circumstances set forth in Section 608(c)(2) of the Clean Water Act. 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."

The City and County of Honolulu, Hawaii provided information to the Agency asserting that there are no manufacturers producing 66-inch and 60-inch butterfly valves in the United States in sufficient and reasonably available quantities to meet the specifications of the project. Honolulu also stated to EPA that the project faces crucial deadlines, including a consent decree that critically affects the availability of the valves. Due to the remote location of the island to the mainland, Honolulu expects not just extended lead times for these highly specialized valves, but significant delivery timeframes, as well, potentially causing delays to the project in violation of the consent decree. The Honouliuli Wastewater Treatment project services the southwest region of Oahu, which includes several cities. As such, the equipment (including the valves) are much larger than typical service requirements in the area. The large diameter butterfly valves will be in the service of corrosive primary effluent wastewater. The project specifications require that the large diameter butterfly valves be suitable for pressures up to 250 psi, they must be epoxy coated and polyethylene wrapped in accordance with AWWA C105. The shaft must be stainless steel, Type

316/316L, and the disc must be Type 316 stainless steel. The packing shall be Neoprene or Buna N, and the disc edge must be stainless steel, ASTM A 276, Type 316L.

After confirming that the specifications were performance based, the EPA conducted market research on the supply and availability of 66-inch and 60-inch butterfly valves meeting the specifications of the project. The EPA contacted all known manufacturers or suppliers of large diameter butterfly valves. Research indicates these large diameter butterfly valves are highly specialized due to the specifications required for the project. This includes, but is not limited to, the 316 stainless steel disc. Only two of fifteen companies contacted by the Agency produce large diameter butterfly valves domestically. However, neither of the two companies currently produce the large-size 316 stainless steel discs. The discs would need to be crafted to order which increases production and delivery times of the large diameter butterfly valves. EPA's initial product research indicated that the large diameter butterfly valves requiring a highly specialized 316 stainless steel disc were not readily available in any quantity, and in any time frame to meet the specifications and schedule of the project.

EPA then initiated the required 15-day public comment period, during which, one comment was received from a manufacturer who indicated that they wished to revise their estimates for production time frames of the large diameter butterfly valves. Additionally, another manufacturer contacted Honolulu directly with a similarly revised estimate. The manufacturers provided revised quotations with confirmed production schedules. Honolulu evaluated the newly proposed product delivery time frames within the context of their project schedule. According to Honolulu, the revised quotation lead and delivery times for both potential domestic manufacturers would significantly and adversely affect the project schedule and the recipient's crucial project deadlines. The EPA evaluated Honolulu's claims in response to the revised quotations and has concluded that, based on all available information, that because of the extensive production lead and delivery times for these specialized large diameter butterfly valves, no domestic large diameter butterfly valves are available. The applicant's claims are therefore supported by available evidence.

Since the applicant established a proper basis to specify a product required for this project and since the EPA substantiated the applicant's claims through market research that the products are not available from a manufacturer in the United States in a reasonable amount of time to meet the project deadline, the City and County of Honolulu, HI, is hereby granted a waiver from the AIS requirements. This waiver permits the use of one 66-inch and four 60-inch non-domestic butterfly valves, as requested by the recipient on March 15, 2019.

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.