

Rural Development

Rural Utilities Service

Water & Environmental Programs

1400 Independence Ave SW Washington, DC 20250

DECISION MEMORANDUM

DATE: 20 March 2025

SUBJECT: Availability-Based Project-Specific Waiver of American Iron and Steel Requirements for two (2x) eight-inch butterfly valves, one (1x) twelve-inch butterfly valve and one (1x) twelve-inch check valve for the City of Oakley Well House Project in Summit County, UT

Waiver Number: 25-002

FROM: Steven Polacek Director Water and Environmental Programs

<u>Decision</u>: The U.S. Department of Agriculture (USDA) is hereby granting an availability-based project-specific waiver of American Iron and Steel (AIS) requirements to the City of Oakley for the purchase of two (2x) eight-inch butterfly valves, one (1x) twelve-inch butterfly valve and one (1x) twelve-inch check valve for its Well House Project in Summit County, UT. This waiver permits the use of non-domestic butterfly and a check valve because no known domestic manufacturers can deliver a product that meets the project's technical specifications in a timely manner.

This is a project-specific waiver which applies only to the use of the specified product for the referenced project funded by the USDA Rural Development (RD) Rural Utilities Service (RUS) Water and Waste Disposal (WWD) Loan and Grant program under the Water and Environmental Programs (WEP). Any other project that wishes to use the same product must submit a separate waiver request based on the specific project circumstances.

<u>Rationale:</u> The AIS provision of the Consolidated Appropriations Act of 2017 (Public Law 115-31) and subsequent statutes require WEP assistance recipients to use domestic iron and steel products unless RD determines that it is necessary to waive this requirement. USDA has the authority to issue waivers in accordance with section 746 (b)(2) of P.L.115-31, which states in part: "[the requirements] shall not apply in any case or category of cases in which the Secretary of Agriculture ... or the designee of the Secretary finds that ...iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality." As per the delegation memo of July 2017, approval of project specific waivers has been delegated to the Engineering and Environmental Staff Director.

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<u>Background of Waiver Request</u>: The City of Oakley's Well House Project in Summit County, ME, includes installation of two (2x) eight-inch butterfly valves, one (1x) twelve-inch butterfly valve and one (1x) twelve-inch check valve in their water system. The contractor stated that they could not find a manufacturer to furnish an assembly that adhered to AIS requirements within a timely manner, and furnished documentation from suppliers corroborating this.

USDA's AIS contractor then contacted nineteen manufacturers and suppliers, including those contacted by the applicants. Of the companies that responded, none of them manufacture butterfly valves and check valves meeting both the project specifications and domestic preference requirements in a timely manner.

The City of Oakley submitted to RD a formal request to waive AIS requirements for the assemblies on February 19, 2025. Per statutory requirement, the waiver request was posted on RD's AIS website for a 15-day public comment period, and the Agency received no comments.

<u>Finding</u>: USDA is granting an availability-based waiver from the AIS requirements to the City of Oakley for two (2x) eight-inch butterfly valves, one (1x) twelve-inch butterfly valve and one (1x) twelve-inch check valve. This waiver permits the purchase of these valves using WEP funds for the Oakley City Well House Project as documented in the waiver request submittal.

Legal Authority: Legal authority for the AIS requirements for WEP projects is included under the Consolidated Appropriations Act of 2017 and subsequent statutes, under the authority of section 746 (b)(2) of P.L.115-31.

If you have questions concerning the contents of this memorandum, please contact WEP Engineering at <u>WEPEngineering@usda.gov</u>.