

American Iron and Steel (AIS) Requirement

What You Need To Know For State Revolving Fund (SRF) Projects

Iron and Steel Products Include:

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**.

*Structural steel is defined as rolled flanged shapes, having at least one dimension of their cross-section three inches or greater, which are used in construction of buildings.

**Construction materials are defined as articles, materials, or supplies (such as, but not limited to, rebar, fasteners, framing joists, railings, doors, etc), not including mechanical and/or electrical components, equipment, and systems.

Does My Product Have to Comply with AIS?

1. Is the product a listed product? (See box to the left)
2. Is the product made of primarily iron or steel? (primarily means products greater than 50% iron or steel, measured by material costs only)
3. Is the product permanently incorporated into the project?

If the answers to these three questions are all “yes,” then this is an iron and steel product under the AIS requirement, and the product must be produced in the U.S. or otherwise be covered by a waiver.

Definition of “Produced in the U.S.”

Produced in the U.S. means that all manufacturing processes must occur in the U.S. Manufacturing processes includes processes such as **melting, refining, forming, rolling, drawing, finishing, and fabricating**. Further, if a domestic iron and steel product is taken out of the U.S. for any part of the manufacturing process, it becomes foreign source material.

Important Note About Other Domestic Preference Requirements:

It is important to understand that the AIS requirement is different than other domestic preference requirements. The AIS requirement is not the same as Buy American, Made in USA, Buy America Act, or any state domestic preference requirements. A product may be compliant with these other requirements, but it must also comply specifically with the AIS requirement. The United States Department of Agriculture’s (USDA) Rural Utilities Service Water and Environmental Programs also have an AIS requirement as of May 5, 2017, so a reference to the USDA AIS requirement in certification letters is acceptable as well for SRF projects, since the USDA AIS requirement is the same as the SRF AIS requirement.

Methods of Compliance with the AIS Requirement

There are two methods of compliance for SRF projects: **Certification Letters** and **Waivers**.

Certification Letters

A certification letter asserts that all manufacturing processes for the purchased product(s) occurred in the U.S. Additionally, each certification letter includes the 5 elements listed below.

1. **Delivery Jurisdiction:** Letter should include the name of the project and/or jurisdiction where the product was delivered.
2. **Product:** Letter should list the specific product(s) delivered to project site.
3. **Manufacturer Location:** Letter should include the location(s) of the foundry/mill/factory where the product was manufactured (City and State).
4. **Signature of Company Representatives:** On company letterhead.
5. **Reference to AIS Requirement:** Especially if the letter references other domestic preference laws.

Waivers

The AIS statute language permits the EPA to issue waivers for a case or category of cases where the EPA finds:

1. Applying this AIS requirement would be inconsistent with the public interest;
2. Iron and steel products are not produced in the U.S. in sufficient and reasonably available quantities and well as of a satisfactory quality; or
3. Inclusion of iron and steel products produced in the U.S. will increase the cost of the overall project by more than 25 percent.

Project-Specific Waivers

Waiver requests should be submitted via state SRF programs. States should then submit waiver requests to EPA at DWSRFWaiver@epa.gov or CWSRFWaiver@epa.gov.

National De Minimis Waiver

- Allows an SRF project to use a small percentage of incidental products of unknown or non-domestic origin
- Up to **5%** of total project material cost
- Up to **1%** of total project material cost for any single item

AIS De Minimis List Example

Total Materials Cost for Project			\$ 185,000	
Product	Amount	Cost	Total Cost	% of Total Materials Cost
Galvanized Conduit Strap	20	\$ 1.00	\$ 20.00	0.011%
Galvanized Screws	40	\$ 0.05	\$ 2.00	0.001%
4" Stainless Steel Tee	2	\$ 75.00	\$150.00	0.081%
		Total	\$ 172.00	0.093%