

May 30, 2014

American Iron & Steel (AIS) Requirement of the Consolidated Appropriations Act of 2014 (Public Law 113-76) Q&A Part 1: Valves and Hydrants

Q1: Does the AIS requirement of the Consolidated Appropriations Act of 2014 require minor, miscellaneous components within a covered valve or hydrant, such as nuts, bolts and washers, to be made in the U.S.?

A1: The definition of "iron and steel products" that must either be domestically produced or subject to a waiver in order to comply with the AIS requirement of the Consolidated Appropriations Act of 2014 includes valves and hydrants. Unlike many other of the "iron and steel products" that are listed in the definition, valves and hydrants are typically precision mechanical products with multiple fitted, operating parts and connections. Valves and hydrants, unlike most of the other listed products, contain other minor components, such as small washers, nuts, and bolts that are of unknown origin but are added to the valve or hydrant during the manufacturing process. For purposes of the 2014 AIS requirement, EPA considers only the significant iron and steel components of a covered valve or hydrant – the body, bonnet, shoe, stem, and wedge/disc/gate/ball – to be within the definition of "iron and steel products" that must either be made domestically, or otherwise must comply with the AIS requirement. The minor components represent a very small percentage of the iron and steel in the hydrants and valves that are defined as "iron and steel products." These minor components, which EPA has learned through our research are currently difficult to find domestically in sufficient quantity, such as minor nuts, bolts, and washers, are not required to be of U.S. origin.

Q2: Do the actuators/control systems attached to valves have to comply with the AIS requirement, or just the valve itself?

A2: The AIS requirement of the Consolidated Appropriations Act of 2014 includes valves in its definition of "iron and steel products" that recipients must make certain are either domestically made or subject to a waiver in order to comply with the AIS requirement. Actuators and control systems are not included in the definition. Only the valve itself is required to be either domestically produced or subject to a waiver in order to be compliant with the AIS requirement. Absent a waiver, EPA considers valves and hydrants to be domestically produced if the significant iron and steel components of a covered valve or hydrant – the body, bonnet, shoe, stem, and wedge/disc/gate/ball – if made of iron or steel, is produced in the U.S. See Q1 above for a discussion about minor components. The valves and actuators, while often purchased and shipped together, are two unique products that are manufactured separately and typically attached together during the final step of the process. Valves are included in the definition of "iron and steel products" in the AIS requirement. Actuators, whether manual, electric, hydraulic or pneumatic, are not listed as an "iron and steel product" under the AIS requirement of the Consolidated Appropriations Act of 2014, nor are they considered construction materials. Therefore, they do not need to be domestically produced in the U.S. in order to comply with the requirement.

Q3: Are electric powered motor operated valves excluded based on the valve being motorized equipment (i.e. electrical equipment)?

A3: No, electric powered motor operated valves are not excluded based on the valve being motorized equipment. The actuator, a motor that controls the valve, is considered a separate product, which is not

May 30, 2014

listed as an “iron and steel product” under the AIS requirement of the Consolidated Appropriations Act of 2014, nor is it considered a construction material. Therefore, the actuator does not need to be domestically produced in the U.S. in order to comply with the requirement. See Q2 for further clarification.

Q4: Based on EPA’s AIS guidance dated March 20, 2014, gates are not considered construction materials and therefore do not have to be produced in the U.S. Does that include gate valves?

A4: No, valves are specifically listed in the Consolidated Appropriations Act of 2014 as an “iron and steel product” and therefore, absent a waiver, must be produced in the U.S. to be in compliance with the requirement if they are “primarily” iron and steel. Gates as referenced in the EPA March 20, 2014 guidance refer only to common sluice and slide gates, and not to gate valves.