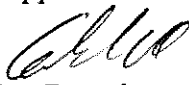




STATE OF MISSISSIPPI  
PHIL BRYANT  
GOVERNOR  
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY  
TRUDY D. FISHER, EXECUTIVE DIRECTOR

MEMORANDUM

TO: All FY-2014 WPCRLF Loan Applicants and Consulting Engineers

FROM: Tony Caldwell, P.E., Chief   
MDEQ/OPC/SWD/Construction Branch

DATE: June 12, 2014

SUBJECT: Water Pollution Control Revolving Loan Fund (WPCRLF) Program  
New Federal Requirement  
American Iron and Steel

This memorandum is to notify all applicants pursuing FY-2014 WPCRLF loan funding that a new Federal Buy American Iron and Steel (AIS) requirement now applies to the WPCRLF Program, and to provide guidance to assist you in complying with this requirement.

Earlier this year Congress passed the Consolidated Appropriation Act, 2014 (P.L. 113-76), which was signed into law on January 17, 2014. The CWSRF appropriation language in that Act included the following: "None of the funds made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.)...shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States." Based on EPA's interpretation of this language, the related "Buy American" requirements apply to, and will be included in, all new project loan agreements executed on or after January 17, 2014, and prior to October 1, 2014.

Accordingly, the following loan condition will be included in all forthcoming FY-2014 WPCRLF loan agreements:

"American Iron and Steel (AIS) Compliance. The Loan Recipient shall comply with all applicable American iron and steel requirements in accordance with Section 436 of the Consolidated Appropriation Act, 2014 (P.L. 113-76)."

To assist WPCRLF loan recipients in complying with this requirement, we have developed the attached guidance document, which is based on EPA's AIS guidance memorandum dated March 20, 2014. This guidance document is also available for viewing/downloading on the MDEQ website at [www.deq.state.ms.us](http://www.deq.state.ms.us), by choosing "Programs" then under "Loans" choosing "Water

Pollution Control State Revolving Fund” then choosing the related link under “Documents.” EPA’s guidance memo is available on the EPA AIS website at ([http://water.epa.gov/grants\\_funding/aisrequirement.cfm](http://water.epa.gov/grants_funding/aisrequirement.cfm)).

The types of items/materials that are subject to the AIS requirement are outlined in detail in the EPA guidance memorandum. Because the Law applies the AIS requirement to the entire project, not just the WPCRLF-funded portion, remedies for non-compliance are very limited. In the event that an applicable item/material is found to be AIS non-compliant, it cannot simply be declared WPCRLF ineligible, and its cost paid with other/local funds. The non-compliant item/material will have to be removed and replaced with AIS compliant material, and the additional cost of such removal/replacement (rework) will not be WPCRLF loan eligible. Failure to take such corrective action in a timely manner will likely result in the entire project being declared WPCRLF ineligible, and the immediate recovery of all previously disbursed WPCRLF funds.

Project materials, documentation, and certifications confirming AIS compliance will be subject to review, not only by State WPCRLF staff, but also by representatives of EPA, EPA’s Office of Inspector General (OIG), and possibly others. Therefore, we strongly encourage you to review the guidance, and ensure that you are prepared to comply with this new requirement.

If there are any questions, please contact your WPCRLF Project Manager. Thank you.