

**Department of the Interior  
Bureau of Reclamation**

**Buy America Nonavailability Waiver: Eastern New Mexico Rural Water System  
Heat Shrink Sleeves and Magnesium Anodes**

**1. Summary**

Agency: Department of the Interior, Bureau of Reclamation (USBR)

Waiver: The Department of the Interior (DOI), USBR is issuing a nonavailability waiver of the requirements of section 70914 of the Build America, Buy America Act included in the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58) for heat shrink sleeves and magnesium anodes used in infrastructure projects funded through the Eastern New Mexico Rural Water System.

Applicability: This waiver action permits the use of non-domestic heat shrink sleeves and magnesium anodes in the Eastern New Mexico Rural Water System that were obtained by the recipient Eastern New Mexico Water Utility Authority (ENMWUA) as applied to specific awards as specified below, prior to the expiration date of the waiver.

Waiver type: Nonavailability of a domestic product

Waiver level: General Applicability level waiver as applied to two financial assistance grants R20AC00022 and R22AC00674 for the recipient Eastern New Mexico Water Utility Authority (ENMWUA).

Summary of items covered in the waiver: Heat Shrink Sleeves and Magnesium Anodes

Waiver justification summary: Heat Shrink Sleeves and Magnesium Anodes are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality for use in the identified project.

Length of the waiver: This waiver will be effective on October 13, 2023 the date of final waiver approval and will remain in effect for a period of five (5) years until October 12, 2028 as applied to two financial assistance grants for the recipient ENMWUA.

**2. Background**

The Buy America Preference set forth in section 70914 of the Build America, Buy America Act included in the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58), requires all iron, steel, manufactured products, and construction materials used for infrastructure projects under Federal financial assistance awards be produced in the United States.

Under section 70914(b), the Department of the Interior may waive the application of the Buy America Preference, in any case in which it finds that: applying the domestic content

procurement preference would be inconsistent with the public interest; types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent. All waivers must have a written explanation for the proposed determination; provide a period of not less than 15 calendar days for public comment on the waiver; and submit the waiver to the Office of Management and Budget Made in America Office for review to determine if the waiver is consistent with policy.

### **3. Description of Award**

Title of project: Eastern New Mexico Rural Water System.

Infrastructure project description and location: The Eastern New Mexico Rural Water System is a regional rural water supply project located in east-central New Mexico. The overall purpose of the project is to provide potable water from the Ute Reservoir in northeastern New Mexico on the Canadian River to the cities of Clovis, Elida, Portales, Texico, unincorporated areas in Roosevelt and Curry counties, and Cannon Air Force Base for municipal, commercial, and industrial use.

The overall project will be built in several phases that will be determined by funding availability.

Description of project: The project consists of the following major components:

- About 130 miles of water conveyance pipelines.
- A raw water intake structure and pump station located at the south shore of the Ute Reservoir, with a flow rate of 28 million gallons per day (mgd).
- A 28 mgd raw water booster pump station located at the base of the Caprock and a 1-million-gallon storage tank at the top of the Caprock in Quay County.
- A 28 mgd water treatment plant in Curry County with a finished water booster pump station to service downstream municipalities.
- Finished water booster pump station in Roosevelt County to convey finished water to Elida.
- Pressure reducing stations, where required, to serve Cannon Air Force Base and the communities of Clovis, Elida, Portales, and Texico.

Recipient Name: Eastern New Mexico Water Utility Authority (ENMWUA); UEI (JKM8S9ZEA3Z8).

Federal Financial Assistance Listing: 15.553 – Eastern New Mexico Rural Water System - Type of Assistance: B-Project Grants (Cooperative Agreements)

### **4. Description of Covered Items**

Manufactured products: This waiver seeks an exception to Buy America requirements for the following manufactured products within a combined value of approximately \$1,680,000:

- **Heat Shrink Sleeves:**  
NAICS: 325220 - Polyolefin Fibers and Filaments Manufacturing  
PSC: N093 - Installation of Equipment- Nonmetallic Fabricated Materials  
FSC: 9390 - Miscellaneous Fabricated Nonmetallic Materials
- **Magnesium Anodes**  
NAICS: 335999 - Cathodic Protection Equipment Manufacturing  
PSC: N095 - Installation of Equipment- Metal Bars, Sheets, and Shapes  
FSC: 9530 - Bars and Rods, Nonferrous Base Metal

## 5. Waiver Justification Summary

### Anticipated impact if no waiver is issued:

The heat shrink sleeves and magnesium anodes referenced above are essential products that are required for the completion of the project. These products are not manufactured within the United States. If a waiver is not approved, the impact will be that this project will not be able to be implemented successfully.

### Description of efforts made to identify domestic products:

National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) was engaged to determine domestic manufacturers that can produce/supply magnesium anodes and heat shrink sleeves. NIST MEP confirmed they were unable to locate manufacturers for these items.

Market research for heat shrink sleeves resulted in no known U.S. manufacturer being located. Heat Shrinkable Sleeves are used in the bridge, oil, gas, and water markets for sealing and corrosion protection. The two brands that are recognized and used industry wide are Canusa-CPS and Covalence both of which are owned by Seal For Life Industries and are manufactured in Canada, and Mexico respectively. Heat shrinkable sleeves are made using a polyolefin backing layer and butyl rubber adhesive layer. There are no known manufactures of Heat Shrink Sleeve products in the United States.

No United States foundries were located who cast magnesium anodes. Dow Chemical was the leading manufacturer of magnesium in the United States for decades, but the rise of imports in the 1990's weakened Dow Chemical's market position considerably. Dow Chemical closed its remaining magnesium plant in Freemont, Texas in November 1998.

### Expectations at the conclusion of the waiver:

Through ongoing market research DOI will seek to identify opportunities for domestic sourcing of heat shrink sleeves and magnesium anodes for use within this project or other projects going forward. This waiver will allow the recipient to proceed with the materials necessary to complete the project as designed. Reclamation will continue to work with future recipients to evaluate possible domestic sources of supply for upcoming or new projects to achieve compliance going forward.

## **6. Assessment of Cost Advantage of a Foreign-Sourced Product**

Under OMB M–22–11, agencies are expected to assess “whether a significant portion of any cost advantage of a foreign-sourced product is the result of the use of dumped steel, iron, or manufactured products or the use of injuriously subsidized steel, iron, or manufactured products” as appropriate before granting a public interest waiver. DOI’s analysis has concluded that this assessment is not applicable to this waiver as this waiver is not based on the cost of foreign-sourced products.

## **7. Solicitation for Comments**

The proposed waiver was posted on [DOI’s public facing webpage](#) on September 15, 2023 and a notice of the proposed waiver was also posted to the [Made in America website](#) on September 14, 2023, to satisfy the requirement to publish any Buy America Project Waiver and provide the public with fifteen (15) days to submit comments. The Department of the Interior sought public and industry comment from all interested parties and encouraged current manufacturers of the product in question to submit comments regarding anticipated timeframes for shifting manufacturing to a domestic market. The comment period for this waiver closed on September 29, 2023. No comments were received in response to the public posting of the waiver, and therefore no substantive changes were made in response.

For more information on the Build America, Buy America Preference, please reference [www.doi.gov/grants/buyamerica](http://www.doi.gov/grants/buyamerica) or [MadeinAmerica.gov](http://MadeinAmerica.gov).