VSI Waterworks
1155 Alpha Dr
Alpharetta, GA 30004
June 9, 2014

FROM: Christopher Keeling
Engineering Manager

SUBJECT: Documentation of Compliance with American Recovery and Reinvestment Act of 2009 (ARRA)

The purpose of this letter is to demonstrate that our products, iron water control valves, comply with the provisions of ARRA. Specifically, we comply with the Buy American provision of Section 1605 of the ARRA. To ensure that we do meet the Buy American provision, we have attached the Substantial Transformation Checklist to this letter.

Valve Solutions, Inc has been manufacturing valves and accessories in the United States for 17 years. We employ 33 people at our campus in Alpharetta, GA. Raw castings are produced in our foundry in Asia. Once in our Alpharetta facility each piece is machined to tolerance, coated, assembled, tested, and shipped under ISO 9001 standards.

Question 3.b.: Depending on the size and type of valve the machining, assembly, and testing account for between 50-75 percent of the cost of manufacture. Though these processes do not require a high skill level, the total man hour adds significant overall cost.

Question 3.d.: Our process requires a number of different operations; we machine each piece to tolerance, coat ferrous components, assemble the unit, then test for functionality and defects. Coating the components has two main steps. The components must first be prepared by media blasting to remove scale and corrosion. The components must then be coated with several layers of differing coatings. Testing involves separate tests for both seal leakage and body integrity.

Question 3.e.: Our process adds substantial value. The components by themselves would not be useful or have value. By assembling the components together, Valve Solutions, Inc has created a functional product.

(Continued on next page)

Question	Yes	No
1. Were all of the components of the good manufactured in the United States, and were all of the components assembled in to the final product in the U.S? (If the Answer is yes, then this is clearly manufactured in the U.S., and the Inquiry is complete)		✓
2. Was there a change in character or of the use of the good or the components in America? (These questions are asked about the finished good as a whole, not about each individual component)(The answer to Question 2 is "yes" if the answer to one or more of the subparts is "yes")		✓
a. Was there a change in the physical and/or chemical properties or characteristics designed to alter the functionality of the good?		✓
b. Did the manufacturing or processing operation result in a change of the product(s) with one use into a product with a different use?		✓
c. Did the manufacturing or processing operation result in the narrowing of the range of possible uses of a multi-use product?		✓
3. Was/(were) the process(es) performed in the U.S. (including but not limited to assembly) complex and meaningful? (The answer to Question 3 is "yes" if the answer to two or more subparts is "yes")	✓	
a. Did the process(es) take a substantial amount of time?		✓
b. Was/(were) the process(es) costly?	✓	
c. Did the process(es) require particular high level skills?		✓
d. Did the process(es) require a number of different operations?	✓	
e. Was substantial value added in the process(es)?	✓	

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