

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

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Drinking Water Section

DWS Circular Letter #2021-01

TO: Community and Non-Profit Non-Community Public Water Systems

FROM: Lori J. Mathieu, Public Health Branch Chief
Environmental Health & Drinking Water Branch 

DATE: January 11, 2021

SUBJECT: Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment in the DWSRF Program

Effective August 13, 2020, recipients and subrecipients of Environmental Protection Agency (EPA) funded assistance agreements, including borrowers under the Drinking Water State Revolving Fund (DWSRF), must comply with regulations at [2 CFR 200.216](#), *Prohibition on certain telecommunication and video surveillance services or equipment*, implementing section 889 of [Public Law 115-232](#). The regulation prohibits the use of Federal funds to procure (enter, extend, or renew contracts) or obtain equipment, systems, or services that use “covered telecommunications equipment or services” identified in the regulation as a substantial or essential component of any system, or as critical technology as part of any system. Prohibitions extend to the use of Federal funds by recipients and subrecipients to enter a contract with an entity that “uses any equipment, system, or service that uses covered telecommunications equipment or services” as a substantial or essential component of any system, or as critical technology as part of any system.

As described in section 889 of Public Law 115-232, covered telecommunications equipment or services includes:

- Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
- For public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
- Telecommunications or video surveillance services provided by such entities or using such equipment.
- Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence



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or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

There is no exhaustive list of components; however, DWSRF assistance recipients should exercise due diligence and be particularly mindful of project components with internet or cellular connections. For example, recipients should be mindful of automatic meter reading (AMR) technology and advanced metering infrastructure (AMI), instrumentation control systems (e.g., SCADA, process control systems, distributed control systems and programmable logic controls), and security cameras and other electronic security measures to ensure that those items are procured from a non-excluded entity. Items included in the prohibition are not eligible DWSRF costs, and the DWSRF program cannot reimburse borrowers for these costs.

For further reference, visit the following link for [frequently asked questions](#) on the prohibition provided by the Office of Management and Budget (OMB).

How does this affect current projects?

As noted in the OMB questions and answers, this prohibition applies to certain projects even if the procurement and/or contract execution occurred prior to 8/13/2020. The resulting effect is that the DWSRF program is not able to disburse any federal funds on or after this date for a covered product, even if the cost was incurred by a borrower prior to this date. The DWSRF program staff will be reviewing all current projects with active construction contracts and will be contacting these borrowers to determine if this prohibition will have any impact on these projects. If you feel that this prohibition will impact a current construction project that you are financing through the DWSRF then you are encouraged to contact the DWSRF Program immediately. Borrowers are expected to share this information with their contractors.

How does this affect future projects?

The DWSRF Program is evaluating how to best address this prohibition for projects which have not yet initiated procurement. At a minimum, a term will be added to new loan agreements which are greater than \$100,000. In addition, the prohibition will be required to be added to new construction contracts prior to bidding. The DWSRF Program has updated its Pre-Bid Construction Contract Checklist to include this prohibition on Page 5 of the checklist (attached). EPA has provided DPH with recommended language to include in new construction contracts which we have also attached to this letter. Please include this revised checklist with all future pre-bid review submissions required by the DWSRF Program. If this prohibition and its inclusion in a construction contract will create a hardship for your project, you are encouraged to contact the DWSRF Program as quickly as possible.

If you have any questions on the implementation of this grant condition, please do not hesitate to contact Cameron Walden from our DWSRF Program at cameron.walden@ct.gov.

Attachment: DWSRF Pre-Bid Construction Contract Checklist
Recommended 2 CFR 200.216 Language to Include in Construction Contracts

c: Heather Aaron, MPH, LNHA, Deputy Commissioner