

The Honorable Rick Crawford Chairman U.S. House Committee on Transportation and Infrastructure Subcommittee on Highways and Transit Washington, DC 20515 The Honorable Elenor Holmes Norton Ranking Member U.S. House Committee on Transportation and Infrastructure Subcommittee on Highways and Transit Washington, DC 20515

Chairman Crawford, Ranking Member Holmes Norton and Members of the U.S. House Committee on Transportation and Infrastructure Subcommittee on Highways and Transit:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 68 chapters representing more than 23,000 members, I write today to thank you for holding a Hearing on the Implementation of Buy America Provisions of the Infrastructure Investment and Jobs Act. ABC urges the subcommittee to continue to weigh the impacts of these requirements to workers, small businesses, and the success of infrastructure projects funded by this bill.

While ABC supports strategies to expand domestic jobs and manufacturing to avoid global supply chain disruptions and capture economic benefits within America, ABC continues to have concerns regarding immediate implementation of the guidance's domestic content requirements.

Enacted in November 2021, the \$1.2 trillion Infrastructure Investment and Jobs Act expanded and made significant changes to Buy America requirements for federally funded infrastructure projects. The IIJA requires the following Buy America preferences and broadens the preferences to include nonferrous metals, such as copper used in electric wiring; plastic- and polymer-based products; glass, including optical fiber; and certain other construction materials, such as lumber and drywall:

- All iron and steel used in the project are produced in the United States. This means all
  manufacturing processes, from the initial melting stage through the application of coatings,
  occurred in the United States.
- All manufactured products used in the project are produced in the United States. This means
  the manufactured product was manufactured in the United States, and the cost of the
  components of the manufactured product that are mined, produced or manufactured in the
  United States is greater than 55% of the total cost of all components of the manufactured
  product, unless another standard for determining the minimum amount of domestic content of
  the manufactured product has been established under applicable law or regulation.
- All construction materials are manufactured in the United States. This means that all manufacturing processes for the construction material occurred in the United States.

The final guidance largely implements the guidance as proposed, with some limited technical modifications. It codifies the rules outlined above and is intended to clarify several aspects of Buy America implementation:

- Defines "cost of components" for manufactured products as acquisition cost and transportation
  costs for components purchased by the manufacturer and all costs associated with manufacture
  of any components created by the manufacturer;
- Specifies manufacturing standards for various construction materials; and

• Defines "manufactured products" as products that have been processed into a specific form or shape or combined with other materials, "do not consist wholly or predominantly of iron or steel or both" and are not construction materials.

In 2023, ABC <u>commented</u> on the proposed guidance to urge OMB to balance Buy America requirements with safeguards against increased costs and delays of infrastructure projects funded by taxpayers.

ABC and its members are committed to building our nation's infrastructure projects with the highest standards of safety and quality. ABC members stand ready for the opportunity to build and maintain America's infrastructure to the benefit of the communities that it will serve.

Sincerely,

Kristen Swearingen

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Vice President, Legislative & Political Affairs