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Made in America Office
Office of Management and Budget
725 17th Street, NW
Washington, D.C. 20503

Re: Input regarding Build America, Buy America Act requirements

The American Society of Civil Engineers (ASCE) appreciates the opportunity to provide feedback to the Office of Management and Budget (OMB)'s Made in America Office regarding Build America, Buy America Act (BABAA) requirements. As a representative for the professionals who plan, design, construct, and manage much of the nation's infrastructure, ASCE is able to offer perspective into the construction materials industry.

ASCE composed this document based off feedback that the organization received from a cross section of key ASCE members in response to four questions presented by OMB:

1. What items made or used by your members should be considered construction materials, as opposed to iron, steel, or manufactured products?
2. How would you describe the manufacturing process for each of those items?
3. How would you describe the capacity of US producers to make such construction materials, consistent with a Made in America standard, for use in federally funded infrastructure currently, in twelve months, and beyond twelve months?
4. How will applying a Made in America standard to those construction materials, manufactured in the way you described, support direct and indirect jobs?

While these responses do not reflect standing ASCE policy, they do provide insight into the real-world implications of the BABAA requirements, as understood by some of the nation's leading civil engineers.

ASCE would like to present the following feedback to OMB, organized by question.

- 1. What items made or used by your members should be considered construction materials, as opposed to iron, steel, or manufactured products?**

Prior to listing examples of materials, ASCE suggests OMB create some guidance differentiating between construction materials and manufactured products. In general, construction materials

are considered commodities and naturally occurring matter that can be used in their as-found state without further change of state (such as soil, gravel, and water). Manufactured products are typically created from construction materials. Additional refinement and processing are required to yield products used to fit a specific purpose.

Examples of construction materials:

- Site-cast concrete and components
 - ready-mix (from a mixer truck)
 - cement
 - aggregate (fine and large)
 - admixtures
 - water
 - premixed bags (specialty and conventional)
 - fibers, including steel and synthetic
- Reinforcement
 - conventional mild steel reinforcing bars
 - prestressing strands and ducts
 - carbon fiber
- Grout
- Asphalt
- Aggregate and stone
- Coatings and primers
- Adhesives
- Timber of any variety, including for bridge decks

Examples of manufactured materials:

- Steel girders and other steel bridge framing elements
 - rolled shapes
 - fabricated diaphragms
 - bolts and other fasteners
- Bridge bearings
- Precast concrete elements
 - girders
 - box culverts
 - piles
 - any other precast element, including arches, headwalls, pier caps, barriers, or columns
- Ancillary structures (including all their component parts except cast-in-place footings)
 - sign structures
 - luminaires
 - high mast light poles

- traffic signals
 - control boxes and other electronic equipment
 - tolling equipment (gantries, booths, other accessories)
- Metal bridge railings and attachments/appurtenances
- Guardrail
- Fabrics and other sheeting material
 - geosynthetics
 - moisture barriers
 - impermeable membranes
- Impressed current cathodic protection systems
- Gaskets and bridge expansion joint seals
- Machinery and electrical components used in movable bridges and tunnels
 - generators
 - fans
 - drive systems
 - control systems
- Pumps
- Castings for gates and valves
- Electrical, instrumentation, and HVAC equipment components
- Vehicles
- Dimensional lumber
- Copper wire

2. How would you describe the manufacturing process for each of those items?

The manufacturing for these items relies significantly on semi-skilled labor and equipment. The manufacturing process for materials such as pipes, gravel, and cement involve oil, gas, and mining. Other than lumber and perhaps cement, these items are usually sourced in locations near the construction site to reduce haul distances. Fuel and labor costs have a major impact on their prices.

3. How would you describe the capacity of US producers to make such construction materials, consistent with a Made in America standard, for use in federally funded infrastructure currently, in twelve months, and beyond twelve months?

While ASCE supports the intention of the BABAA, there remain some concerns about hampering innovation, causing unnecessary project delays and cost increases, and further constraining markets. While guidance from the Administration related to BABAA is helpful, there is still concern that the waiver process will be overly burdensome and significantly slow down projects that require a waiver to be filed. With continued inflation and supply chain issues already creating challenges for the effective implementation of the Infrastructure Investment and Jobs Act, it will be critical to not add additional burdens or requirements that could further impede the full impacts of this historic investment.

For many gadgets and materials that engineering professionals rely on every day, there are no American manufacturers. For example, products such as steam turbine generators, building electronics, and high-alloy piping are no longer available from U.S.-based manufacturers. In some cases, there are American manufacturers, but their lead times are extremely long, and it may be quicker to get the equipment from offshore manufacturers than domestic ones. Key components for the operating systems of substations, pump stations, and supervisory control and data acquisition (SCADA) systems are very much back ordered and in short supply.

In the electric utility space, ASCE estimates the majority of the steel latticed towers being used to construct high-voltage transmission lines are produced in other countries, such as Turkey, India, Mexico, Brazil, or China. There is virtually no one producing these towers in the U.S. Significant percentages of other goods, including monopoles, line hardware, insulators, and conductors, are also imported from other countries. Because this sector relies heavily on imported products, BABAA provisions would likely be very difficult for the country's electric utility industry, especially in the high-voltage transmission line construction space.

Furthermore, demand for American-made products is placing a stress on the market. Outside of iron and steel products, other materials, such as transformers, panelboards, HVAC equipment, plastics (PVC pipe and fittings), roofing products, and general building materials (lumber and drywall) are seeing longer delivery times and substantial price escalations. Electrical transformers take a year or more to receive from time of order.

Materials the U.S. does have the capacity to produce could come at a much greater cost. One example relates to fly ash, which is used in cement production. The reduction in coal-fired plants has placed a squeeze on fly ash supply, which adds pressure to cement pricing.

Looking long-term, there is a national push away from domestic oil and gas production. The decreasing domestic supply will eventually impact the ability to meet these requirements for plastics. The same concern applies for cement, stone, sand, and gravel.

4. How will applying a Made in America standard to those construction materials, manufactured in the way you described, support direct and indirect jobs?

Projects subject to BABAA requirements will be delayed until comprehensive implementation guidance and associated processes, procedures, and staffing are in place. Any redesign of a project or request for waiver that is required would further extend the delays. In the short term, an extended waiver of the new policies may be most beneficial to overall job creation.

Given the tight labor market, we can expect to see this further strengthening wages in the semi-skilled labor market for heavy equipment operators and processors. However, that will impact the bid prices and the amount of actual infrastructure the country is able to construct.

Conclusion

ASCE appreciates the opportunity to provide feedback to OMB regarding BABAA requirements. As the representative for civil engineers in the U.S. and around the world, ASCE wants to ensure that BABAA requirements and the associated waiver process does not impede project delivery or constrain markets at a time when Americans are expecting much-needed improvements from the Infrastructure Investment and Jobs Act (IIJA). We hope that the feedback that we received from leading civil engineers across the country will provide OMB the guidance necessary to implement BABAA requirements.

Thank you for the opportunity to share our thoughts. ASCE stands ready to continue to assist OMB throughout this process.