



A bold voice for transportation workers

TRANSPORTATION BUY AMERICA LAWS MUST BE STRENGTHENED

As policy makers explore making significant investments in our nation's transportation and infrastructure, it is critical that federal expenditures are leveraged to achieve the greatest possible economic impact and job growth. Strong domestic content standards and improvements to Buy America laws will ensure that investments in our nation's transportation infrastructure will sustain domestic manufacturing and the millions of jobs the sector supports.

TTD's Executive Committee has developed a long record of policy embracing the principle that a strong transportation system and a strong manufacturing sector are intrinsically linked. From high speed rail to economic stimulus legislation, TTD has consistently advocated for the inclusion of strong Buy America policies in federal transportation and infrastructure investments.

Particularly at a time when our economy continues to struggle and unemployment remains high, it is sound economic policy to make substantial investments in our nation's infrastructure. Repairing our deteriorating transit, aviation, highway, bridge, rail, port and maritime systems will help put millions to work while improving a national infrastructure system that the World Economic Forum recently ranked an embarrassing 16th best in the world. To maximize the impact of these investments, it makes sense that we use American-made steel, iron and manufactured goods. This will not only increase the number of jobs created by federal investments, but it will also ensure that we have a robust manufacturing sector able to supply the products needed by private and public transportation sectors.

Buy America policies have a proven track record of creating jobs and growing our nation's manufacturing base. For instance, in 2009, United Streetcar in Clackamas, Oregon, rolled out the first U.S.-made modern streetcar in nearly 60 years as part of a system expansion in Portland, OR. The company is also producing six additional streetcars for the City of Portland and seven streetcars for the City of Tucson, AZ. These projects were funded in part by the federal government and comply with the Federal Transit Administration's Buy America laws. They not only create jobs for union employees in Oregon, they also help support over 200 vendors of streetcar parts in 20 states. This is just one example of how Buy America laws can help grow U.S. manufacturing jobs along the entire supply chain and maximize the economic impact of federal investment.

Despite success stories like United Streetcar, weaknesses in our Buy America laws too often prevent federal investment from reaching its full potential. Existing Buy America requirements are specific to each agency, creating a myriad of policies that are inconsistently applied to various modes of transportation. These policies too often include broadly applied waiver provisions which lack accountability and decrease the effectiveness of Buy America requirements. Current law also does not prevent grant recipients from segmenting projects that receive federal funds in order to bypass Buy America requirements.

The Obama Administration's Department of Transportation (DOT) should be applauded for its aggressive enforcement of existing Buy America standards and for consistently rejecting meritless waivers and other attempts to evade these rules. As part of this effort, DOT has created a Buy America website that shows waiver applications and helps American businesses identify opportunities to fill government procurement needs. In addition, DOT has recently offered improvements to current law that would increase the transparency of the waiver process and increase the waiver standards for rail cars and transit vehicles. The proposal also includes language that would prevent segmentation by applying Buy America requirements to the entire scope of a project, not just the portions being built with federal funds.

Administrative actions can only go so far, however, and Congress must act to strengthen existing laws. In the House of Representatives, Transportation and Infrastructure Committee Ranking Member Nick Rahall (D-WV) has introduced the strongest and most comprehensive Buy America legislation to date. The *Invest in American Jobs Act* (H.R. 3533) strengthens, harmonizes and appropriately expands existing Buy America provisions to ensure that American dollars are supporting American jobs. This bill strengthens the waiver provisions to ensure that they are awarded only when truly warranted and with full transparency. It requires Federal agencies to post any proposed waiver online, provide a detailed justification for the waiver, and provide the American public an opportunity to comment prior to taking effect. Agencies will also be required to publish annual reports which include justifications for waivers issued, comparisons of the amount of funds used on both domestic and foreign manufactured goods, and an employment impact analysis of the cumulative effect of waivers issued in the previous year. Annual reports will make the Buy America waiver process more accountable and help identify areas where we can strengthen our domestic manufacturing sector.

H.R. 3533 also expands Buy America requirements to other federal investment programs, including rail infrastructure grants, loans and loan guarantees, Clean Water State Revolving Fund grants, Federal Emergency Management Agency grants and Economic Development Administration grants. By applying Buy America to all transportation agencies and expanding the reach of these laws to other federal investment programs, this bill removes the ambiguity of agency-specific requirements and creates a clear and consistent Buy America law for federal investment in transportation.

As Congress continues to debate a multi-year surface transportation bill and considers future investments to improve our transportation network, the American people need a commitment that taxpayer dollars will be used to create the greatest possible economic impact and support U.S. job growth. It is critical that a strong Buy America statute be at the heart of any federal transportation investment and that DOT continue its insistence that expenditures on transportation projects will be used to purchase U.S.-made goods and equipment, create American jobs and help rebuild our domestic manufacturing sector.

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