



Buy American Waivers Talking Points

I. Buy American is good for the nation's economy

- Buy American or domestic sourcing provisions require that tax dollars are spent at home on U.S.-made goods to create jobs at home.
- Buy American provisions in the economic recovery law signed by Obama do not break international trade obligations and will not spark a trade war.
- Several reports show that such provisions will help create millions of U.S. jobs. For example, a recent University of Massachusetts study finds that infrastructure investment could create as many as 18,000 jobs for every \$1 billion invested.
- Recent polls by Pew and Harris Interactive show that more than 80 percent of Americans support “Buy American” provisions.

II. Buy American would not make projects prohibitively more expensive or hurt the economy.

- The economic recovery law allows domestic sourcing requirements to be waived where the relevant goods “are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality.”
- The law also permits domestic sourcing requirements to be waived if they would increase the cost of the overall project by more than 25 percent.
- The 25 percent threshold reflects cost competitiveness standards that currently apply in Buy America requirements attached to federal highway and mass transit funds.

III. We cannot let businesses use exceptions (waivers) to unfairly get around the Buy American law.

- For examples, one practice is to break up the contracting of a project in phases, or chunks, to get around spending thresholds that require the application of Buy American provisions.
- We will be monitoring the distribution of our tax dollars and the application of the economic recovery law, especially requests for waivers or exceptions to Buy American provisions meant to create jobs in the United States.
- Our “Buy American” resolution requests that lawmakers make the application for exceptions or waivers public. The resolution has been introduced by law-making bodies at every level of government in more than 300 cities and states.
- Section 1605 of the American Recovery and Economic Investment Act requires that federal agencies publish detailed explanations if they choose to waive the Buy American provision. They are to be published in the Federal Register, the official daily publication for rules, proposed rules, and notices of federal agencies and organizations, as well as executive orders and other presidential documents. You can monitor is here: <http://www.gpoaccess.gov/fr/>