



OFFICE OF MANAGEMENT AND BUDGET

Notice of Listening Sessions and Request for Information

AGENCY: Office of Management and Budget.

ACTION: Notice of listening session(s) and request for information.

SUMMARY: The Build America, Buy America Act (“the Act”), enacted as part of the Infrastructure Investment and Jobs Act (IIJA) on November 15, 2021, provides for the application of domestic preference requirements to infrastructure projects funded by Federal financial assistance and also includes requirements to standardize and simplify application of the Buy American Act in government contracts. The Act directs the Office of Management and Budget (OMB) to issue guidance that will assist agencies as they apply the new requirements. OMB seeks input from the public concerning the Act’s requirement that any infrastructure projects funded with Federal financial assistance use only construction materials “produced in the United States.” The Act also requires the Federal Acquisition Regulatory Council (FAR Council) to provide a definition for “end product manufactured in the United States.” To that end, OMB also seeks input, as a member of the FAR Council, on a definition for “end product manufactured in the United States,” for incorporation into the FAR, as required by the Act.

DATES: Written submissions must be received on or before 11:59 p.m.[**INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER**].

ADDRESSES: Please submit any written comments electronically through the Federal eRulemaking Portal at <https://www.regulations.gov>. Go to <https://www.regulations.gov> and select “Office of Management and Budget” from the agency menu to submit or view public comments.

Please note that all public comments received are subject to the Freedom of Information Act and will be posted in their entirety, including any personal and/or business confidential information provided. Do not include any information you would not like to be made publicly available. All statements received, including attachments and other supporting materials, are part of the public

record and subject to public disclosure. You should submit only information that you wish to make available publicly.

In addition to receiving written comments, OMB plans to hold two public listening sessions, addressing the themes specified, on the following dates:

Listening Session 1 – April 25 (10:30 a.m. – 12:00 p.m. EDT). This listening session will focus on non-ferrous metals and plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables).

To register for Listening Session 1, visit: <https://www.eventbrite.com/e/public-listening-session-request-for-information-on-construction-materials-tickets-321722569867>

Listening Session 2 – April 28 (2:00 p.m. – 3:30 p.m. EDT). This listening session will focus on glass (including optic glass), lumber, drywall, and all other products.

To register for Listening Session 2, visit: <https://www.eventbrite.com/e/public-listening-session-request-for-information-on-construction-materials-tickets-314863694787>

FOR FURTHER INFORMATION CONTACT: For questions about this RFI, please contact Tim Soltis, Office of Management and Budget, 202-395-7587, or via e-mail (preferred) at Timothy.F.Soltis@omb.eop.gov. For questions about the listening sessions, please email MBX.OMB.MadeInAmerica@omb.eop.gov.

SUPPLEMENTARY INFORMATION: On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, which includes the Build America, Buy America Act (“the Act”). Pub. L. No. 117-58, §§ 70901-52. By strengthening requirements for the use of iron, steel, manufactured products, and construction materials produced in the United States, the Act will bolster America’s industrial base, protect national security, and support high-paying jobs.

Construction Materials Acquired Under Federal Financial Assistance Programs

The Act affirms, consistent with Executive Order 14005, *Ensuring the Future Is Made in All of America by All of America's Workers* (“the Executive Order”), this Administration’s priority to “use terms and conditions of Federal financial assistance awards to maximize the use of goods, products, and materials produced in, and services offered in, the United States.” (Exec. Order No. 14,005). Under the Act’s requirements, all iron, steel, manufactured products, and construction materials used in infrastructure projects funded at least partly by Federal financial assistance must be produced in the United States. In contrast to the Buy America requirement applied to the 2009 American Recovery and Reinvestment Act, the statutory authority provided by the Act is not limited to the funds appropriated or authorized in the IIJA. BABA prohibits the award of Federal financial assistance for infrastructure unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.

Waivers traditionally available under existing Buy America laws are authorized under the Act where (1) applying the Buy America requirement would be inconsistent with the public interest; (2) where the iron, steel, manufactured products or construction material is not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; and (3) where inclusion of the domestic products or construction materials will increase the cost of the overall project by more than 25 percent. In addition, Congress directs that the Act be applied in a manner consistent with U.S. trade agreement obligations related to Government procurement.

The Act empowers OMB’s Made in America Office (“MIAO”) to maximize and enforce compliance with legal authorities, including the Act itself, which establish preferences for goods made in the United States. MIAO aims to increase reliance on domestic supply chains and reduce the need for products that are not produced in the United States through a strategic process aimed at: achieving consistency across agencies; gathering data to support decision-making to make U.S. supply chains more resilient; bringing increased transparency to waivers in order to send clear demand signals to domestic producers; and prioritizing efforts on changes that

will have the greatest impact. (OMB Memorandum M-21-26, Increasing Opportunities for Domestic Sourcing and Reducing the Need for Waivers from Made in America Laws available at: <https://www.whitehouse.gov/wp-content/uploads/2020/11/M-21-06.pdf>)

The Act defines construction materials to be “produced in the United States” if “all manufacturing processes” for the materials occurred in the United States. The Act directs OMB to issue standards that define the term “all manufacturing processes” as it applies to U.S.-produced construction materials. In doing so, OMB must:

- (A) ensure that the standards require that each manufacturing process required for the manufacture of the construction material and the inputs of the construction material occurs in the United States; and
- (B) take into consideration and seek to maximize the direct and indirect jobs benefited or created in the production of the construction material.

To establish standards defining the term “all manufacturing processes” in the case of construction materials, OMB must first determine to which materials the standards will apply. The IIJA finds that “construction materials” include an article, material, or supply – other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives – that is or consists primarily of: non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall.

OMB seeks input on whether to refine this list, and requests input on specific materials or products or categories of materials or products that should be added, removed, or clarified, as well as advice on how to distinguish construction materials from manufactured products. Distinguishing construction materials from manufactured products is particularly important given the different standards the Act establishes for determining whether each is “produced in

the United States.” A manufactured product is produced in the United States if “the manufactured product was manufactured in the United States; and (ii) the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent 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.” See IIJA 70912(6)(B). A construction material is produced in the United States if “all manufacturing processes for the construction material occurred in the United States.” See IIJA 70912(6)(C).

Insufficient clarity regarding whether a particular item is a construction material or a manufactured product may undermine the goals of the Act.

OMB also notes that under the Act, the term “construction materials” cannot include cement and cementitious materials, aggregates such as stone, sand, or gravel, or aggregate binding agents or additives. See IIJA 70917(c)(1). Further, OMB’s standards defining “all manufacturing processes” for construction material are prohibited from including cementitious materials, aggregates such as stone, sand, or gravel, or aggregate binding agents or additives as inputs of the construction material. See IIJA 70917(c)(2).

End Products Acquired Through Federal Procurement

For Federal procurements, section 70921(d) of the Act requires the FAR Council to provide a definition in the FAR for “end product manufactured in the United States,” including “guidelines to ensure that manufacturing processes involved in production of the end product occur domestically.” FAR 25.003 defines end product as “articles, materials, and supplies to be acquired for public use” and further defines “domestic end product” as including an end product manufactured in the United States if the cost of its components mined, produced, or manufactured in the United States exceeds 55 percent of the cost of all components – a content level that will increase over time pursuant to recent FAR regulatory changes issued in

accordance with section 8 of the Executive Order. See 87 FR 12780. However, neither the Buy American Act (BAA, 41 U.S.C. 8301-8305), which governs domestic preferences for Federal procurement of supplies, nor Executive Orders that implement the BAA, namely Executive Orders 10,582, 13,881, or 14,005, define the term “manufacturing.” The FAR also is silent on the meaning of this term.

The Government Accountability Office (GAO) and courts have not articulated a single standard, but generally found during challenges arising under the BAA that manufacturing involves changes in physical character, and therefore actions such as testing and packaging are not part of the manufacturing process. See *What Is Manufacturing? Why Does the Definition Matter?* (Congressional Research Service, R44755)

In the context of helping determine if small businesses are manufacturers that qualify for set-asides, SBA’s regulations state that a manufacturer “performs the primary activities in transforming inorganic or organic substances, including the assembly of parts and components, into the end item being acquired. The end item must possess characteristics which, as a result of mechanical, chemical or human action, it did not possess before the original substances, parts or components were assembled or transformed. The end item may be finished and ready for utilization or consumption, or it may be semi-finished as a raw material to be used in further manufacturing. Firms which perform only minimal operations upon the item being procured do not qualify as manufacturers of the end item. Firms that add substances, parts, or components to an existing end item to modify its performance will not be considered the end item manufacturer where those identical modifications can be performed by and are available from the manufacturer of the existing end item.” See 13 CFR 121.406(b)(2).

OMB seeks feedback, on the FAR Council’s behalf, to inform the definition and guidance on the meaning of manufacturing for purposes of determining if an end product is manufactured in the United States. On its own behalf, OMB seeks information from the public

on the value of aligning the definition of manufacturing for the purposes of Federal procurement and Federal financial assistance.

Maximizing the Value of Public Feedback

Responses to this RFI will assist OMB in achieving the goals and objectives of the Act and the Executive Order in the most effective manner possible. Therefore, public input is a vital component of informed policy making. OMB encourages public comment on these questions and seek any other information commenters believe is relevant to OMB's efforts. The type of feedback that would be especially useful includes recommendations for specific definitions, rules, regulations, and policies that will maximize the use of goods, materials, and products produced in the United States while ensuring that infrastructure projects are efficient and effective, including by working to avoid waste, increase the competitiveness of the U.S. economy, improve job opportunities through high labor standards, advance equity and support for underserved and disadvantaged communities, and build resilient infrastructure that helps combat the climate crisis, consistent with Executive Order 14,052 on Implementation of the Infrastructure Investment and Jobs Act.

Commenters should identify, with specificity, administrative burdens, program requirements, or unnecessary complexity that may impose unjustified barriers in general, or that may have adverse effects on equity for all, including individuals who belong to underserved communities that have been denied equitable treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities, including learning disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

Commenters should provide, with as much detail as possible, an explanation why their recommendations advance the statutory and regulatory objectives of the Act. Additionally, where applicable, please provide citations and sources that support your recommendations.

If commenters identify benefits, costs, burdens, loopholes, or shortcomings of particular options for implementing the Act, OMB requests that commenters provide data and evidence to support these conclusions.

Specific Questions

- (1) Which materials, products, or categories of materials or products should be included as “construction materials” for the purposes of the Act?
- (2) What should “all manufacturing processes” mean under Section 70912(6)(c) of the Act?
 - (a) Should the term “all manufacturing processes” have the same meaning across all construction materials, or should the standard be set differently for each product, material, or category of product or material?
 - (b) For example, the equivalent standard for iron and steel products is “all manufacturing processes, from the initial melting stage through the application of coatings,” which does not require the iron ore to be mined in the United States, and begins the manufacturing process with “initial melting.” What should be the equivalent first process for “construction materials,” and should the description be different for lumber, glass, and other construction materials?
 - (c) If relevant to any construction materials, should “final assembly” be considered a manufacturing process? Or should a manufacturing process be limited to processes that alter the properties of a material in some way? If limited to processes that alter the properties of a material, should any particular standard apply? Should the standard be different for lumber, glass, and other construction materials?

- (3) How should agencies distinguish “construction materials” from “manufactured products” to provide clarity on how to comply with the Act’s requirements and ensure efficient and effective administration?
- (4) How should OMB take into consideration and seek to maximize the direct and indirect jobs benefited or created in the production of construction materials, as required by the Act?
- (5) What is the current and projected capacity of United States manufacturers to supply construction materials that meet the Act’s standards? How will this capacity be impacted by the standard provided for “all manufacturing processes” under the Act? Please answer this question for any of the following materials that you have responsive information on: non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall. Please also answer this question for any other material, product, or category of product you identified under question (1) above.
- (6) Do you anticipate that United States manufacturers will be able to supply construction materials that meet the Act’s standards in sufficient and reasonably available quantities and of a satisfactory quality to all infrastructure projects covered by the Act? Will this ability be impacted by the increased demand for United States manufacturing? Do you foresee supply shortages or other issues for any material? If so, what Federal policies exist that may help alleviate the challenges you identified? Please answer this question for all materials referenced in question (5) above.
- (7) How can the Act’s waiver transparency requirements and supplier scouting programs be leveraged to identify gaps in domestic sourcing and inform capital investment planning?
- (8) How else might OMB spur and incentivize domestic manufacturing of construction materials that meet the Act’s standards?

- (9) What additional considerations should OMB consider when developing guidance and standards for construction materials?
- (10) What guidelines should be considered by OMB and the FAR Council to determine whether an end product that might be procured under the BAA by a Federal agency has been manufactured domestically?
- (a) What is the best way to promote a clear and consistent understanding of the term “manufacturing” while accommodating the range of manufacturing processes involved in the wide variety of products purchased by the Federal Government?
- (b) Should consideration be given to the definition of “manufacturer” used in SBA’s regulations, as described above?
- (c) Should consideration be given to holdings cited by courts or the GAO for determining whether an end product is domestically manufactured, such as whether substantial changes in physical character occurred domestically, whether the article is completed in the form required by the Government domestically, or whether the item being procured is made suitable for its intended use, and its identity is established, in the United States?
- (d) What existing sources, in addition to those described above, may offer relevant definitions or guidelines that could be suitable for understanding whether an end item has been domestically manufactured in the context of Federal procurement?

Celeste Drake,

Director,

Made in America Office.

[FR Doc. 2022-08491 Filed: 4/20/2022 8:45 am; Publication Date: 4/21/2022]