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#### **BABA** is the Build America Buy America Act

The Build America Buy America Act aims to ensure that federal infrastructure investments prioritize American-made goods and materials, thereby supporting domestic manufacturing and job creation.

It was signed into law as part of the Infrastructure Investment and Jobs Act (IIJA) in November 2021.

The Act applies to all federal infrastructure projects, including transportation, water systems, energy, broadband, and more.

#### Goals

**Economic Growth:** Strengthen the U.S. economy by boosting domestic production.

Job Creation: Generate employment opportunities within the U.S.

**Supply Chain Security:** Reduce dependency on foreign supply chains and enhance national security



### **OBJECTIVES OF BABA**

•Promote the use of American-made products

•Support domestic manufacturing and industries

•Ensure federal funding benefits American workers and businesses

# **KEY PROVISIONS OF BABA**

#### Iron and Steel: Must be produced in the U.S.

All manufacturing processes, from the initial melting stage through the application of coatings, must occur in the United States

#### Manufactured Products: At least 55%\* of the cost must be from U.S. components

There are four steps in this determination

- 1. Determine the components manufactured in the United States
- 2. Determine the cost of those components manufactured in the United States
- 3. Determine the cost of all components
- 4. Divide the cost determined in step 2 by those determined in step 3

If the fraction is more than 55 percent, the manufactured product complies with the Buy America requirements as long as the product is, itself, manufactured in the United States.

#### Construction Materials: Must be produced in the U.S.

Construction materials include non-ferrous metals, plastic and polymer products, glass, fiber optic cable, optical fiber, lumber, engineered wood, and drywall

\* The domestic content threshold increased to 60% in calendar year 2022, increases to 65% in calendar year 2024 and increases to 75% in calendar year 2029







### APPLICABILITY

Applies to all federal infrastructure projects

Includes roads, bridges, public transit, water systems, and broadband

#### Affects all federal financial assistance programs

Department of Transportation (DOT) Environmental Protection Agency (EPA) Department of Energy (DOE) Federal Emergency Management Agency (FEMA) Department of Housing and Urban Development (HUD) Department of Agriculture (USDA) Federal Communications Commission (FCC)



Reauthorized Transportation Funding New Core Infrastructure New Transport			
Reauthorized Transportation Funding \$650	Roads & Bridges \$110	Broadband \$65	Water Infrastructure \$55
	Power Infrastructure and Grid Automation \$73	Environmental Resiliency \$47	Environmental Remediation \$21
	Passenger Rail	Airports, Ports and Waterways \$42	200
	\$66	Public Transit \$39	Safety \$11

Source: White House, CBO, Moody's Analytics

## WHAT ARE THE DIFFERENCES?

#### Build America Buy America Act (BABA):

Applies specifically to federal infrastructure projects funded by federal financial assistance programs.

It has specific requirements as explained above

It became part of the Infrastructure Investment and Jobs Act (IIJA) signed into law in 2021.

Broadly impacts various sectors including transportation, water systems, energy, and broadband.

Federal agencies are responsible for ensuring compliance with BABA requirements in funded projects.

#### • Buy American Act (BAA):

- Applies to direct federal **procurement** of goods and supplies.
- Federal agencies must purchase domestic end products for use within the United States.
- Defines domestic end products as those manufactured in the U.S. with more than 50% of their components by cost made in the U.S

Signed into law in 1933.

- Limited to direct federal purchases and contracts.
- Compliance is monitored by the federal procurement officials within respective agencies.

# ARE WAIVERS/EXCEPTIONS AVAILABLE?

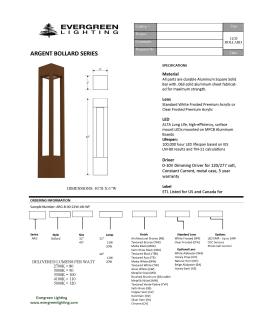
- Yes. Waiver requests can be submitted to the Office of Management and Budget office.
- Waivers may be issued for the following reasons:

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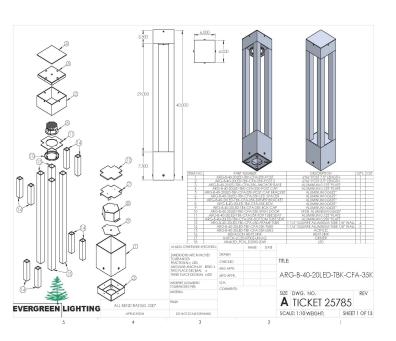
- 1. Public Interest Waiver- When it is in the public's best interest
- 2. Non-Availability Waiver When materials are not available in sufficient quantity or quality.
- 3. Unreasonable Cost Waiver When the cost is unreasonable (usually defined as 25% higher)







### HOW CAN I BE SURE THE FIXTURE WILL MEET BABA REQUIREMENTS?





## QUESTIONS?

Sources:

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- What is Build America Buy America?
- www.whitehouse.gov/wp-content/uploads/2022/07/Build-America-Buy-America-Factsheet
- Infrastructure Investments and jobs Act: Why it matters for CRE
- <u>www.cushmanwakefield.com/en/united-states/insights/infrastructure-investment-and-jobs-act</u>
- Buy American (BAA) Build America Buy America (BABA) checklist
- <u>www.acuitybrands.com/-/media/abl/acuitybrands/files/resources</u>
- Infrastructure Investments and Jobs Act
- www.congress.gov/bill/117th-congress/house-bill/3684/text
- Build America Buy America Act
- www.congress.gov/bill/117th-congress/senate-bill/1303/text#idA3D7D0





### THANK YOU FOR YOUR PARTICIPATION!

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