



Buy America Works:

Longstanding United States Policy Enhances the
Job Creating Effect of Government Spending

FEBRUARY 2010



INTRODUCTION

For more than 70 years, the United States has had domestic sourcing or “Buy America” laws on the books to ensure that American-made goods and materials have preference over imported products with respect to government procurement and infrastructure projects. Including domestic sourcing requirements in job creating legislation would be the most effective way to ensure taxpayer dollars are used to create and maintain jobs and manufacturing capacity to the maximum extent possible, thereby vastly improving the stimulative effect of government spending. Under current law, domestic sourcing requirements apply to general government procurement, materials for highway and transit infrastructure investments, projects funded by the *American Recovery and Reinvestment Act of 2009* (the *Recovery Act*), and elsewhere. “Buy America” is a proven job creation tool that is broadly supported by Congress, the American people, and hundreds of local governments throughout the United States. Domestic sourcing laws comply with our international trade obligations and are utilized by numerous foreign governments. For all of these reasons, “Buy America” provisions should continue to be utilized in infrastructure and other spending bills so that our manufacturing base can thrive and so that more Americans can earn a paycheck and contribute to the overall welfare of the nation.

INFRASTRUCTURE INVESTMENT AND BUY AMERICA ARE NEEDED TO REVITALIZE AMERICAN MANUFACTURING

The deterioration of our industrial base, caused in large measure by a drastic shift of employment to overseas factories, is cause for alarm as lawmakers search for answers that will result in more than just a “jobless recovery.” To put it simply, the manufacturing sector has been disproportionately slammed by this recession. According to the Bureau of Labor Statistics, manufacturing employment has fallen by 2.1 million jobs since December of 2007.

Even worse, the steady and increasing decline in manufacturing in the United States has been ongoing for a much longer period. According to an article by Richard McCormack in the January/February 2010 issue of *The American Prospect*, “Manufacturing employment dropped to 11.7 million in October 2009, a loss of 5.5 million or 32 percent of all manufacturing jobs since October 2000. The last time fewer than 12 million people worked in the manufacturing sector was in 1941. In October 2009, more people were officially unemployed (15.7 million) than were working in manufacturing.”

Moreover, the nation is in a fragile and jobless recovery after the fastest and most severe economic contraction since the Great Depression. In 2008, the country lost 2.6 million jobs; the largest loss in over sixty years. At the start of 2009, approximately 750,000 jobs vanished in a single month and unemployment reached 10.2

percent and has remained at 10 percent for the last three months with no appreciable signs of decreasing in the short term.

Substantial federal, state, and private investment in our highway, transit, sewer, and clean energy infrastructure, must be made if the United States is to revive our economy and create good manufacturing jobs.

Given the dire problems the economy has experienced and continues to experience, the inclusion of domestic sourcing requirements in an upcoming job creation bill is the smart thing to do. It would ensure that the materials used in a myriad of infrastructure projects are produced by workers and companies in the United States to the maximum extent possible. **It would also minimize taxpayer funds going to pay for materials produced overseas, re-employ manufacturing workers here at home, and help bring back production capacity in sectors of our economy that have been hard hit by the brutal downturn, including the steel industry.**

Indeed, a [2008 Government Accountability Office \(GAO\) study](#) describes the benefits of “Buy America” policies, noting that potential benefits include “*protecting domestic employment through national infrastructure improvements that can stimulate economic activity and create jobs...*” (GAO-09-36; December 12, 2008) [emphasis added]. Likewise, a report released by the [Alliance for American Manufacturing \(AAM\)](#) in January of 2009, [How Infrastructure Investments Support the U.S. Economy: Employment, Productivity and Growth](#), shows that roughly 18,000 new jobs would be created for every \$1 billion in new infrastructure spending on our nation’s transportation, energy, water systems, and public schools. To adequately meet the nation’s assessed infrastructure needs over the next five years, the report estimates that a minimum of \$87 billion per year is needed, of which \$54 billion would come from the public and \$33 billion would be private investment. Importantly, according to that report, manufacturing employment gains from infrastructure investment can **increase by up to 33 percent** when the amount of domestic materials purchased are maximized with the inclusion of strong domestic sourcing provisions.

We must recognize that we no longer live in a closed economy. Thus, substantial sums of taxpayer funding intended for investment and job creation here at home could instead wind up going overseas into the hands of foreign producers and governments unnecessarily unless we ensure that domestic sourcing rules are incorporated into federal procurement for a wide range of infrastructure projects. It would be a very unwelcome outcome for the American people if manufacturing jobs and capacity instead were created overseas.

China, European nations, and many other foreign governments have already made commitments to heavily invest in their industrial base, which is an important step in capturing the technology that will support

sustained employment in the 21st century. We must do the same if the United States is to successfully compete now and in the years to come.

BUY AMERICA ENJOYS STRONG SUPPORT

Domestic Sourcing requirements enjoy broad support from the American public and from all levels of government. A February 4, 2009, [Harris Interactive poll](#), commissioned by the Alliance for American Manufacturing, found that 84 percent of Americans favored “Buy America” requirements in *The Recovery Act* (66 percent strongly, 18 percent somewhat) and only 11 percent of Americans opposed.

Congress adopted strong domestic sourcing requirements within *The Recovery Act* on a bipartisan basis. The Senate provision was added with no objection in the Appropriations Committee, and on February 4, 2009, the full Senate voted 31-65 against a McCain amendment (vote #44) to strip out the language. Meanwhile, the House Appropriations Committee voted 55-0 to include the provision in its version of the bill.

To date, more than 500 local, state and municipal governments have passed “Buy America” resolutions of their own, pledging to ensure that American-made materials are used to the fullest extent possible in infrastructure projects funded by the *Recovery Act*.

BUY AMERICA COMPLIES WITH OUR INTERNATIONAL OBLIGATIONS

“Buy America” requirements are fully compliant with our international trade obligations. *See Attachment “Major International Commitments”* (outlining major commitments the U.S. has with other nations and the many exceptions to those commitments). In fact, the *Recovery Act* explicitly states that the “Buy America” provision be “*applied in a manner consistent with U.S. obligations under international agreements.*” To that end, products from numerous countries with which the United States shares reciprocal trade agreements may be used, providing a powerful incentive for countries with closed procurement systems, such as China, to adopt reforms that promote fair, reciprocal trade.

The entire framework for international procurement rules is founded on reciprocity. Access will be granted to our government procurement market for goods from foreign countries (under agreements like the WTO’s Government Procurement Agreement), if foreign countries have agreed to grant U.S. goods reciprocal access. Countries that have made no legal commitments have no legitimate expectation to access our procurement market and otherwise could choose to under-stimulate their own economies and “free-ride” on those who take appropriate measures. Not fully implementing “Buy America” requirements would reduce or eliminate any incentives for the vast majority of countries that close their procurement markets to open them. Many

countries that have refused to take on such reciprocal obligations have domestic-sourcing policies for their own stimulus spending.

BUY AMERICA IS WORKING

The Alliance for American Manufacturing (AAM) has gathered numerous stories describing the success of “Buy America” requirements in both saving or creating manufacturing jobs and capacity in the midst of a severe economic downturn. *See Attachment “Success Stories on page 9.”* Below are two examples taken from the attached success stories document that reflect how domestic sourcing provisions can create jobs.

Pennsylvania – ArcelorMittal, a steel company, and its workers have undertaken new business resulting from two public transportation rail projects, funded in part by \$3.7 million from the *Recovery Act*. ArcelorMittal’s Steelton plant is one of three rail-producing plants in the U.S. that compete with imported products. The “Buy America” requirement ensured that workers in Steelton, Pennsylvania, that are organized by the United Steelworkers were given an opportunity to manufacture over 125,000 linear feet of rail for Southeastern Pennsylvania Transportation Authority (SEPTA) projects. Throughout the United States, steel plants have been running at less than 50 percent capacity during this economic downturn. Infrastructure investments, combined with “Buy America” provisions, have helped to avoid layoffs and to put Americans back to work.

Oregon – “Buy America” provisions have the potential to rejuvenate established industries, create new ones, and expand capacity throughout supply chains for small businesses. A prime example is United Streetcar of Clackamas, Oregon, which is building the first modern streetcars to be manufactured in America in nearly 60 years. It is set to build seven streetcars for the city of Tucson, Arizona, and another six streetcars for the city of Portland, Oregon, as part of system expansions. The work is partially funded by the federal government – not under the *Recovery Act*, but under the Federal Transit Administration’s “Buy America” statute, which requires that at least 60 percent of a vehicle contain domestic content. As a result, the work will create manufacturing jobs for an entire network of companies, small and large, both locally and throughout the United States. For instance, local supplier Miles Fiberglass will manufacture front and rear shell pieces for the streetcars. In 2009, it was forced to lay off 35 workers, but it then rehired 10 workers because of new business. “Buy America” provisions ensured that government spending helped to create new American jobs, instead of jobs overseas.

NEXT STEPS

According to the White House, the *Recovery Act* has already saved or created up to two million jobs and added between three and four percentage points to our Gross Domestic Product (GDP) in the third quarter of 2009. However, many economists are predicting that the impact of the *Recovery Act* will begin to diminish in the

middle of 2010, which could dampen the prospect of a robust economic recovery.

With unemployment remaining at 10 percent and steep job losses continuing on a monthly basis in the manufacturing sector, Congress should immediately take additional steps to counter the negative impact of this recession and set our economy on a path to creating the manufacturing jobs and capacity needed to compete successfully in the 21st century.

In this regard, Congress has already begun to act. On December 16, 2009, the House of Representatives voted 217-212 to adopt and send to the U.S. Senate the *Jobs for Main Street Act of 2010* (House message on H.R. 2847). The bill includes \$48.3 billion for infrastructure investments and includes a strong domestic sourcing requirement identical to the provision found in the *Recovery Act*. Improvements that create more transparency in the process of waiving domestic sourcing requirements help to ensure that waivers, for example, are not granted unnecessarily based on unavailability. By requiring that the waiver request be posted online at the responsible federal agency, domestic manufacturers and their workers will be given the chance to respond and supply American-made goods. Also, a more specific definition of manufactured goods would help to ensure that the procurement of American-made manufactured goods occurs to the maximum extent possible. More specifically, manufactured goods should be substantially transformed in the United States and have domestically-sourced components accounting for a high percentage of the cost of the goods.

In addition, the House-passed *Jobs for Main Street Act* also includes improving amendments to “Buy America” laws already on the books for the Federal Highway Administration (FHWA) and the Department of Transportation (DOT). These amendments will apply to any new funding in a jobs spending bill as well as to future funding under these existing statutes. They are intended to increase transparency for the waiver process, as noted above, and also to stop the practice of avoiding application of “Buy America” requirements to bridge projects by splitting up the project into separate pieces (i.e. segmenting). The House bill also requires a semi-annual GAO report detailing the number and the extent of waivers to the “Buy America” laws involving the FHWA and the DOT. Finally, funds in the *Jobs for Main Street Act of 2009* provided to Amtrak to purchase new equipment, including locomotives and passenger cars, carry a requirement that the manufacturing be conducted in the United States.

The House measures are good steps in the right direction and should be adopted in the Senate with the additional improvements outlined. Also, the prohibiting of segmentation should not be limited to bridge projects but should apply to any project.

MAJOR INTERNATIONAL COMMITMENTS

A CLOSER LOOK AT BUY AMERICA AND OUR TRADE OBLIGATIONS

International Trade Agreements and Buy America. The United States will implement Buy America rules, as it always has, in full compliance with its obligations under international trade agreements. It is important to note, that such negotiated trade agreements already allow for domestic preferences under a number of circumstances. These preferences were carefully negotiated and it would be unwise not to utilize them to the fullest extent possible, just as our trading partners do. For example, funding for highway and transit programs is exempt under all international agreements. It is also worth noting that the United States does not have any trade agreements with many trading partners, including the so-called BRICK countries (Brazil, Russia, India, China, and Korea). These issues are examined in more detail below with respect to our NAFTA and WTO obligations.

Buy America Requirement and NAFTA and WTO. As described below, neither of these agreements apply where the federal government provides grants and other funding to state and local authorities for highway, transit or airport projects. Other exceptions and limitations in the WTO Procurement Code substantially limit its application.

NAFTA Chapter 10 does not apply at all to procurements by state and local governments, including procurements funded by federal grants, such as those made pursuant to the Federal Transit Act (19 U.S.C. App. § 1601, et seq.) and the Federal Aid Highway Act (23 U.S.C. § 101 et seq.). North American Free Trade Agreement: Statement of Administrative Action, Chapter 10 (A) (1) (c). Therefore, NAFTA presents no bar to a Buy America requirement being incorporated into the stimulus legislation.

As noted, there is a big difference between Buy America statutes and the 1933 Buy American Act. This difference matters greatly as to whether, and the extent to which, the WTO Procurement Code (Code) may apply or conflict with these two distinct domestic-sourcing preferences.¹ Understand that the Code is an agreement that must be positively opted into by product and by governmental

¹ The 1933 Buy American Act does conflict substantially with the Code (and NAFTA). The 1933 Act establishes a preference for domestically-produced goods and services when a federal governmental agency/authority is purchasing them for use by the federal government. Therefore, as the Code was designed specifically to give foreign bidders the same footing as domestic bidders, it conflicts with the 1933 Act. However, there are exceptions in the Code which permit a preference for procuring domestic goods and services. The main exceptions are for national security purposes and where necessary to protect health, safety, or intellectual property. See: Art. XXIII. Also, the Code does not apply to set asides on behalf of small or minority-owned business or to certain specified purchases by the Department of Defense. See: General Notes and Annex 1, respectively.

entity. Simply by becoming a signatory to the Code the USG did not automatically bind all state and local authorities or cover all products.²

Importantly, the Code alone governs the obligations among WTO members in regard to government procurement and, thus, to the extent that a Buy America preference does not violate the Code, such preference will not violate any other WTO rule or agreement. As noted, there are numerous limitations and exceptions to the Code's application:

First, the Code will not apply if a governmental entity has not expressly opted in. In the United States, 13 states have not opted into the Code; thus a Buy America preference in their purchasing decisions would not conflict and is permissible:

Second, Local governments (except for a few cities) have not opted in and are not covered by the Code in any manner;

Third, the Code does not apply to the 37 states that opted into it when they receive federal grants or other funding for highway and mass transit projects³ Thus, a Buy America preference in spending related to highway and transit projects would not violate the Code;

Fourth, while certain port authorities (e.g., Baltimore Port Authority) opted into the Code, when they receive federal grants or funds for airport projects the Code does not apply.⁴ Thus, a Buy America preference for stimulus spending on airport projects would not violate the Code

Fifth, 12 states that opted into the Code made reservations that their purchases of construction grade steel, motor vehicles and coal would not be covered. See: Annex 2, note 1.

There are other exceptions that apply to all 37 states that opted into the Code. The Code cannot be read to prevent a state from applying a restriction involving general environmental quality and shall not apply to preferences or restrictions that promote development of distressed areas and business owned by minorities, disabled veterans or women.

² There is a positive list of federal entities (Annex 1), state entities (Annex 2), and other quasi-governmental bodies (Annex 3) to which the Code applies. There is also a positive list of products to which the Code applies (Annex 1). Further, there are several major export-oriented trading partners like China, India, Russia and Brazil, which are not signatories.

³ See: Annex 2, The Agreement shall not apply to restrictions [Buy America preference] attached to Federal funds for mass transit and highway projects).

⁴ See: Annex 3, note 1, With respect to these entities [port authorities], the Agreement shall not apply to restrictions attached to Federal funds for airport projects.).

Buy America Success Stories

Neptune Technology Group, Inc. – Alabama

Despite what is said by [opponents of the Buy America provision](#), not all water equipment is made outside the U.S. In fact, The “Buy America” provision supports [Neptune Technology Group, Inc.](#), a Tallassee, Alabama, company that supplies water metering products and automatic meter reading/advanced metering infrastructure systems for utilities to implement system and infrastructure upgrades in their communities. Neptune President Chuck DiLaura says, “We’re proud to say that our company can meet the Buy American provisions of the ARRA...By keeping our manufacturing operations here, we’re able to employ more than 580 people who work hard to ensure that our customers receive the highest quality products and systems. Our customers will find that by complying with the ARRA, they’ll be in a much better position to upgrade their systems, now or in the future.”

[WaterWorld](#); May, 29, 2009; *Neptune Helps Utilities Meet ‘Buy American’ Provision for Stimulus Funding*

Smart – California

The Sonoma-Marín Area Rail Transit Board of Directors decided on a new generation of environmentally friendly railcars in the North Bay. Four manufacturers have indicated to SMART that they are interested in building vehicles for this project. They include Brookville Equipment Corp. of Brookville, PA; Nippon-Sharyo Ltd. of Japan; Siemens Corp. of Germany; and U.S. Railcar LLC of Columbus, OH. All four have indicated they would build SMART’s fleet of about a dozen vehicles in the United States, meeting the Federal Transit Administration’s “Buy America” requirements.

[Empire Report](#); July 15, 2009; *SMART Picks Heavy American Railcars*

Val-Matic Valve & Mfg. Corp. – Illinois

Val-Matic, a leading manufacturer and marketer of check valves, quarter turn shut-off valves, air valves, and foot valves for water/wastewater, industrial, and building applications based in Elmhurst, IL, has announced that its products meet “Buy America” requirements and that when purchasing its products, customers can “feel confident in meeting all provisions without sacrificing price and delivery time.”

[WaterWorld](#); June 25, 2009; *Val-Matic Meets ‘Buy American’ Requirements of Recovery Act*

Pike Industries – Maine and neighboring states

Pike Industries, a New England construction company with operations in Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island, was awarded \$31.5 million from the *Recovery Act* to complete various roadwork construction projects that will create jobs directly and indirectly through subcontractors and increased business activity at local sawmills, hotels, fuel companies, convenience stores, and coffee shops. Not insignificant is the fact that Pike produces its inputs domestically and that the work funded by the *Recovery Act* and the “Buy America” requirement will help to support its 41 asphalt facilities throughout New England.

[Winnisquam Echo](#); June 10, 2009; *Stimulus Funds Branch Out as Road Projects Begin*

[Portland Press Herald](#); March 23, 2009; *Paving Project on I-295 Putting Stimulus to Work*

[Morning Sentinel](#); March 23, 2009; *Stimulus money funding I-295 work*

East Jordan Iron Works— Michigan

EJIW, a family owned and operated business with over 125 years of experience in the field of infrastructure component manufacturing, is proud to announce that all of their projects are 100% Made in the U.S.A. and compliant with the Buy America provision requirement in the stimulus bill. EJIW has two foundries, located in East Jordan, Michigan and Ardmore, Oklahoma, a modern fabrication facility in Youngstown, Ohio, in addition to stocking and distribution centers across the country.

[EJIW website](#)

Schoolcraft Bridge – Minnesota

A bridge project on County Road 9 over the Schoolcraft River in northern Hubbard County, Minnesota, is funded in part by the *Recovery Act* and will use American-made goods. According to a Hubbard County engineer who is overseeing the project, domestically sourced inputs, including cement, plywood, and 55,000 pounds of reinforced steel, are being used because of the “Buy America” requirement.

Instead of using foreign inputs, which are less stimulative for job creation, domestic steel is being used to create 30-foot I-beams to support the bridge deck. Steel rebar is also used in the project. The local engineer also reports that the Buy America requirements are not burdensome and are

not an impediment to the project. The project came in under budget (with \$600,000 allotted, but only \$430,000 needed to complete the project). The bridge construction is moving quickly and is complete, or nearing completion.

(D-L Online; July 27, 2009; Stimulus Bridge Project Begins in Northern Hubbard County)

Local Contact: Jed Nardeen, Hubbard County Assistant Engineer, 218-732-3302

[Hubbard County website](#)

Bridge Replacement – Missouri

An \$8.5 million bridge replacement near Tuscumbia, Missouri, is being touted as the first stimulus-funded infrastructure project. The new 1,000-foot long, 28-foot-wide bridge will replace the existing 75-year-old Osage River Bridge, which is the same length and just 20 ft wide. The bridge's 570-foot main span will be made with 395 tons of steel produced in the U.S. because of the "Buy America" requirement. In total, 419 tons of steel will be used. According to bridge fabricator DeLong's, Inc., this job helps to keep its employees working and also benefits the steel mills that produced the unfinished steel input.

*[AISC](#), February, 24, 2009, *Steel Bridge Kicks Off Infrastructure Stimulus Program**

ITT Corporation – New York

ITT Corporation announced on July 23, 2009 that they are able to meet Buy America provisions for all of its water and wastewater products to help contractors meet stimulus requirements. With \$60 billion of stimulus bill spending earmarked to support water, wastewater, and energy infrastructure projects, ITT's ability to manufacture, assemble, test, and research in its U.S. facilities puts it in an ideal position to be a ready partner for infrastructure undertakings. The first of batch of BA-compliant pumps manufactured for the Claywood Park Public Service District's wastewater facility in Parkersburg, West Virginia were sent out by ITT's Pewaukee, Wisconsin manufacturing facility on August 31, 2009.

*[WaterWorld](#); August 31, 2009; *ITT ships first products under ARRA Buy America**

*[ITT Press Release](#); July 23, 2009; *ITT ready to meet Buy American requirements of federal stimulus package**

Pamlico Sound Oyster Reef Restoration— North Carolina

The North Carolina Coastal Federation began a project on September 7, 2009 for building and monitoring 47 acres of oyster reefs in the Pamlico Sound near Belhaven, North Carolina. Partnering with local contractors, universities, the NC Sea Grant, and the state’s Division of Marine Fisheries, the project is being paid for, in part, by a \$5 million Recovery Act grant administered by the National Oceanic and Atmospheric Agency.

The project requires over 54,000 tons of limestone marble to be quarried from a local site in New Bern, NC, which will then be barged offshore from coastal Belhaven. Local raw material providers, the local trucking and tug-boat/barge industries, and coast-based commercial fisherman will cooperate to implement the oyster sanctuary project over the course of the next two years.

Raw materials used in *Recovery Act* projects must be procured in a manner consistent with the “Buy America” provision. Todd Miller, executive director of the North Carolina Coastal Federation, projects that around 140 jobs will be created by the mining and barge loading processes alone. This is in addition to the long-term economic benefits of commercial and recreational fishing enabled by reef reconstruction.

[*Sea Grant North Carolina*](#); September 9, 2009; *Oyster Reef Stimulus Project Begins*

[*Public Radio East*](#); September 21, 2009; *Oyster Reef Restoration Project in Pamlico Sound Underway*

Lincoln Electric – Ohio

Lincoln Electric will be using welding consumables, manufactured by using green rod or strip melted in steel mills in the U.S., in order to meet “Buy America” requirements for infrastructure investments under the *Recovery Act*. These welding consumables perform at the same level as their counterparts and are procured through Lincoln’s Specials Department.

The products that meet the Buy America requirements include:

- Stick Electrode – Excalibur® 7018 MR, Excalibur® 7018-1 MR
- Flux-Core Wire – UltraCore® 71C, UltraCore® 71A85, UltraCore® 71A75 Dual
- Submerged Arc Wire – Lincolnweld® L-61® and Lincolnweld® LA-75

The Lincoln Electric Company, headquartered in Cleveland, Ohio, is the world leader in the design, development, and manufacture of arc welding products, robotic arc-welding systems, plasma and

oxyfuel cutting equipment, and has a leading global position in the brazing and soldering alloys market.

[AMT](#); November 18, 2009; *Lincoln Electric Offers New Buy America Welding Consumables*

Oregon Iron Works (United Streetcar) – Oregon

Investing in domestic supply chains can promote growth in new industries in the U.S. A good example is United Streetcar of Clackamas, Oregon, which is building the first modern streetcars to be manufactured in America in nearly 60 years. It is set to build seven streetcars for the city of Tucson, Arizona, and another six streetcars for the city of Portland, Oregon, as part of system expansions. The work is partially-funded by the federal government and complies with the Federal Transit Administration’s “Buy America” Act that requires at least 60 percent of a vehicle contain domestic content. As a result, the work will create manufacturing jobs for an entire network of companies, both locally and throughout the U.S.

- Miles Fiberglass will manufacture front and rear shell pieces for the streetcars. In 2009, it was forced to lay off 35 workers, but has rehired 10 workers because of new business.
- Northwest Technologies provides brackets and mounts that help attach panels made by Miles Fiberglass to the streetcars. The new business allows it to avoid laying off employees.
- Penn Machine Co. of Johnstown, PA, manufactures wheel sets with gear boxes.
- Recaro of Auburn Hills, MI, manufactures seats.
- Milwaukee Composites supplies floor material.
- Local businesses Columbia Body Manufacturing and Platt Electric Supply also benefit by supplying materials to United Streetcar.

At the formal unveiling of United Streetcar’s tram in Portland on July 1, 2009, Transportation Secretary LaHood said these are “the first streetcars to be manufactured in America in nearly 60 years.”

Watch a video about the project [here](#).

[Railway Gazette](#); July 2, 2009; ‘Buy America’ Tram Unveiled

[Oregon Business](#); July 1, 2009; Made in Oregon

[Infrastructurist](#); July 1, 2009; Unveiled: First American-Made Streetcar in 60 Years

[DIC](#); June 24, 2009; *United Streetcar Contracts Trickle Down in Portland: Deals to Manufacture Streetcars Lead to Work for Local Firms Amid Recession*

[Promotional Video](#)

Waiver for Rail Project – Oregon

In 2009, the Department of Transportation's Federal Highway Administration (FHWA) posted a notice of a request for a waiver on Manganese turnout castings and LV Braces needed for use in a *Recovery Act* project in Oregon. The waiver was sought because it was believed that the product was not available in sufficient or reasonably available quantities in the United States.

Tina DeMao, a Field Coordinator with the Alliance for American Manufacturing, researched the product and quickly identified a domestic producer, Nortrak, that was willing and able to provide American-made products. She then contacted the FHWA and requested that the waiver be denied. The FHWA followed up on her investigation, denied the waiver, and has since contacted the Oregon Department of Transportation to move the project forward while using American-made goods.

[ManufactureThis](#); December 9, 2009; Buy America Works

ArcelorMittal – Pennsylvania

ArcelorMittal has been called upon to provide rail for two Southeastern Pennsylvania Transportation Authority (SEPTA) projects funded by a \$3.7 million stimulus grant. The Steelton plant is one of three rail-producing plants in the U.S. and will provide over 125,000 linear feet of rail for the SEPTA projects.

http://www.pennlive.com/midstate/index.ssf/2009/08/holden_says_hell_push_for_addi.html Third quarter production at the Steelton facility has been down over 20 percent compared to prior periods, and this was the first time in five years that plant managers have had to implement layoffs as a cost-cutting mechanism. Dave Wirick, the Steelton plant's general manager, is optimistic that more orders will be placed as the government continues to award rail grants.

[ArcelorMittal Press Release](#); February 9, 2009; Stimulus at Steelton: Rail orders demonstrate regional impact of funds

[The Patriot-News](#); August 27, 2009; Holden says he'll push for additional rail stimulus money next session

GE Transportation – Pennsylvania

The “Jobs for Main Street Act of 2010” includes \$800 million “for [Amtrak] fleet modernization, including rehabilitation of existing and acquisition of new passenger equipment, including fuel-efficient locomotives.”

According to [Business Wire](#), the language is written in such a way that the funds will benefit GE Transportation, based in Erie, PA, and will reportedly help “sustain 1,900 GE and supplier jobs.”

According to the [Erie-Times News](#), this 100+ year old plant has already made substantial worker [cutbacks](#), including nearly 1,500 permanent layoffs in September. According to the article:

[The] financial hit to the community — the loss of nearly 1,500 of Erie’s better-paying jobs, effective in 60 days — is substantial, said Jim Kurre, professor of economics at Penn State Behrend. “It’s very bad news for the local economy. Anytime we lose manufacturing jobs that are good-paying jobs it hurts especially,” he said. “Because GE buys from so many suppliers in the local area, it will have a ripple effect on our economy and elsewhere.”

GE Transportation will still need to compete to get the business, though it is worth noting that Representative Dahlkemper, Senator Specter, and Senator Casey have been pushing for the funds and [praised](#) the inclusion of funds for the new energy-efficient fleet.

According to [Streetsblog Capitol Hill](#), “What’s more, the House jobs bill also includes language requiring the Transportation Secretary to adhere to “buy American” rules for Amtrak even if the equipment in question ‘cannot be bought and delivered in the United States within a reasonable time.’ (Existing law allows the U.S. DOT to waive Amtrak “buy American” rules in such cases.)”

[Business Wire](#); December 16, 2009; GE Transportation Moves Closer to Securing New Amtrak Passenger Locomotive Order

[Erie-Times News](#); September 16, 2009; GE cuts jobs: Work force to be fewer than 4,000

[Senator Specter Press Release](#); December 17, 2009; Specter, Casey, Dahlkemper Laud Inclusion of \$800 million for Amtrak in House Jobs Bill

[Streetsblog Capitol Hill](#); December 16, 2009; House Jobs Bill Could Make General Electric’s Amtrak Wish Come True

Northeast Building Products – Pennsylvania

An *ABC Evening News* report on *Recovery Act* spending shows the positive benefits for a Philadelphia manufacturer of windows. New business related to the repair of broken down housing by the Philadelphia Housing Authority has kept workers on the job. The work is funded, in part by \$127 million, from the *Recovery Act*. According to Carl Green, Executive Director of the housing authority, 3,000 people would not have jobs without this funding.

The benefits extend beyond construction jobs. Alan Levin, CEO of Northeast Building Products, has hired 100 new workers to help build the windows for the public housing renovations.

Because of the “Buy America” provision, manufactured products in Philadelphia and elsewhere in the United States are being used, putting Americans back to work.

[ABC News](#)

Traktionssysteme Austria (TSA)

Traktionssysteme Austria (TSA), a traction motor producer predominantly based in Austria, is “now building motors in the USA with a local company” so that it can meet Buy America requirements for light rail vehicles. This market has a significant European presence with the likes of Alstom in France, Siemens and Bombardier in Germany, and Skoda Electric in the Czech Republic.

[Railway Gazette](#); June 26, 2009; *Dedicated to the Traction Motor*

About AAM

The Alliance for American Manufacturing (AAM) is a unique non-partisan, non-profit partnership forged to strengthen manufacturing in the U.S. AAM brings together a select group of America's leading manufacturers and the United Steelworkers. Our mission is to promote creative policy solutions on priorities such as international trade, energy security, health care, retirement security, currency manipulation, and other issues of mutual concern.

Contact

Alliance for American Manufacturing
727 Fifteenth Street, NW
Suite 700
Washington, DC 20005
phone: 202-393-3430
fax : 202-628-1864
email: info@aamfg.org

