



May 10, 2013

TO THE MEMBERS OF THE UNITED STATES SENATE:

On behalf of the U.S. Chamber of Commerce and the Water and Wastewater Equipment Manufacturers Association, we are writing to express our strong opposition to an amendment that we understand may be offered next week by Senator Jeff Merkley to attach a “Buy American provision” to S. 601, the “Water Resources Development Act of 2013.” Under the guise of creating U.S. jobs and promoting U.S. industry, this protectionist measure could have the opposite effect by reducing competition, increasing project costs, and cutting U.S. exports of goods and services to countries that emulate U.S. policy.

We only have to look at the American Recovery and Reinvestment Act (ARRA) to see the negative impact that similar measures have had on U.S. industry. When ARRA imposed “Buy American” restrictions to funds intended to rebuild the nation’s infrastructure, communities across the United States were required to re-evaluate and redesign projects to ensure compliance. City and state governments were left with fewer choices in technologies, even with regard to those offered by U.S. companies, and had to pay more for the products that met the requirements. In the end, delays were extensive, fewer projects were funded, and fewer jobs were created. In fact, the additional cost to the water and wastewater industry alone for having to procure U.S. steel on projects that received ARRA funds amounted to \$1.4 billion, according to a draft report by the Peterson Institute for International Economics.

U.S. manufacturers of complex water treatment systems that are produced using global supply chains were suddenly prohibited by the ARRA mandates from selling to their domestic customers, or were obligated to undergo extensive legal documentation to prove that their products were “substantially transformed” in the United States to be in compliance. With U.S. economic growth remaining subdued, this is not the time to impose new, costly regulatory burdens on municipalities struggling to rebuild their deteriorating public works infrastructure.

The Water Resources Development Act addresses some of the nation’s most critical water infrastructure needs, but this proposed provision threatens its effectiveness with unnecessary bureaucracy and restrictions. We respectfully urge you to oppose this “Buy American” amendment, which threatens significant harm to U.S. manufacturers of water and wastewater equipment.

Sincerely,

U.S. Chamber of Commerce
Water and Wastewater Equipment Manufacturers Association