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AGC of America
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
Quality People. Quality Projects.



June 9, 2015

The Honorable Harold Rogers
Chairman
Committee on Appropriations
U.S. House of Representatives

The Honorable Nita Lowey
Ranking Member
Committee on Appropriations
U.S. House of Representatives

The Honorable Ken Calvert
Chairman
Subcommittee on Interior, Environment and
Related Agencies
U.S. House of Representatives

The Honorable Betty McCollum
Ranking Member
Subcommittee on Interior, Environment and
Related Agencies
U.S. House of Representative

**RE: Support Language in FY16 Interior/Environment Appropriations Base Bill Defining
“Produced in the United States”**

Dear Chairmen Rogers and Calvert and Ranking Members Lowey and McCollum,

On behalf of the Associated General Contractors of America (AGC), I am writing to express support for language in the Interior/Environment Appropriations base bill that would level the playing field for U.S. companies with respect to American Iron and Steel provisions. AGC’s more than 26,000 member companies are engaged in all forms of non-residential construction – including federal construction, buildings, utility infrastructure, and highway & transportation construction. Domestic content sourcing applies on a range of construction projects that AGC’s members perform, and those laws are becoming increasingly difficult and burdensome for contractors. AGC remains very concerned that existing Buy America/Buy American rules are out of date and do not recognize the extensive, mature U.S. manufacturing industry that suffers from an adverse (and possibly unintended) impact of application of these rules.

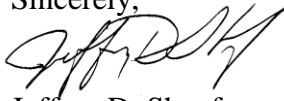
The current application of the American Iron and Steel provision for water infrastructure recently shut out many of our members’ U.S. suppliers. Prior to fiscal year 2014, products which have been used for years and still come from American companies were deemed no longer compliant. While AGC remains opposed to all domestic content sourcing requirements, this version is particularly restrictive in a segment of the industry that has not had to deal with this in a substantive way prior to FY 2014. This language forces contractors to either maintain two separate supply chains (one for projects covered by the requirement and one for those that are not) or to abandon long-held relationships with their suppliers in order to reduce the risk of non-compliant products being installed. This is significantly detrimental to those companies and the jobs they represent, many of whom are U.S. companies making U.S. products.

This also drives up the cost of badly needed water/wastewater infrastructure projects. Not only are compliant products typically more expensive, but by narrowing the scope of products that are

eligible, these provisions discourage competition - maintaining these higher prices. Not only that, but many of the companies locked out of these markets are located in the West, adding additional shipping and transportation costs for compliant materials to projects located west of the Mississippi River.

AGC believes the application of this provision unduly burdens contractor supply chains, unnecessarily increases the costs of infrastructure, and needlessly pits U.S. companies against one another without benefit to the taxpayers. We urge all members of the Appropriations Committee to support the "American Iron and Steel" interpretation language in the base FY 2016 Interior/Environment Appropriations bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey D. Shoaf". The signature is fluid and cursive, with the first name being the most prominent.

Jeffrey D. Shoaf
Senior Executive Director
Government Affairs