

May 11, 2021

The Honorable Peter DeFazio
Chairman
House Committee on Transportation and
Infrastructure
2134 Rayburn House Office Building
Washington, DC 20515

The Honorable Sam Graves
Ranking Member
House Committee on Transportation and
Infrastructure
1135 Longworth House Office Building
Washington, DC 20515

Dear Chairman DeFazio and Ranking Member Graves:

We applaud you and the Members of the House Transportation and Infrastructure Committee for taking a leadership role on the reauthorization of the nation's critical surface transportation programs. We appreciate the eagerness and focus to pass a surface reauthorization bill before the current authorization expires at the end of the fiscal year. A robust, multi-year reauthorization facilitates substantial federal investment for vital local and regional surface projects and creates certainty for the transportation and construction industries who help implement these projects.

As you prepare for the upcoming markup of your surface transportation reauthorization, our construction industry coalition must draw your attention to an amendment that was adopted when the Committee considered H.R. 2 in the 116th Congress, the "INVEST in America Act," this past summer. This particular amendment expanded current Buy America provisions to include "construction materials" within the Federal Highway Administration at the Department of Transportation.

The undersigned national trade associations represent companies who produce and use the materials and equipment necessary to build America's transportation infrastructure and employ tens of thousands of hard-working men and women in well-paying jobs. We ask that Buy America language that expands the program to "construction materials" not be included in infrastructure legislation. If included, the amendment would create unintended consequences throughout the construction supply chain and jeopardize the cost and delivery of infrastructure projects across the country.

The amendment, which did not define construction materials, was so broad that it would have included construction aggregates, such as crushed stone, sand, and gravel, under the purchasing restrictions of Buy America. These materials have never been subject to Buy America because Congress has long recognized the availability and supply of aggregates is directly correlated to geology. Specifically, the coastal regions of the United States, including the east, west, and gulf coasts, as well as the areas surrounding the Great Lakes, do not have the native rock necessary to produce the construction aggregates necessary to sustain future infrastructure investment. As a result, these raw materials are imported to these communities by truck, rail, barge, and ship.

Each year, American-owned companies import approximately 30 million tons of aggregates by ship to coastal states and communities from Western Hemisphere countries like Canada, Mexico, and Caribbean nations. Restricting or prohibiting access to these aggregates will cause the price of construction to greatly increase in coastal states – as well as interior states. Eliminating the availability of imported aggregates would reduce the overall aggregate supply, forcing coastal states to pursue inland sources and driving up demand for the limited inland supply and the costs for all.

As a result, coastal states like Alabama, California, Florida, Louisiana, Michigan, New York, Oregon, South Carolina, Texas, and Washington will have a diminished return on their infrastructure investments,

because the price of raw materials will be higher. For inland states, as aggregate prices inland increase, overall construction costs will similarly increase and will reverberate across countless public work projects. Cities like Houston, New Orleans, and Mobile, would also experience increased traffic congestion and CO2 emissions, as it takes 3,250 over-the-road trucks to move the same amount of material as one Panamax ship. Thus, more trucks will be on the road and for longer, which equates to more traffic and greenhouse gas emissions for these communities and their residents. Importing material by ship is the most cost-effective, timely and environmentally friendly way to supply these communities.

The construction equipment industry has similar concerns with the expanded Buy America provisions that have been proposed. Construction equipment, machinery, and related supplies vital to build and repair the nation's infrastructure are sourced from global supply chains. Domestic content requirements and similar restrictions on equipment used on road and bridge projects are detrimental to equipment dealers, manufacturers, and contractors working to rebuild America. And expansion of Buy America could actually suppress domestic manufacturing activities.

We hope the concerns identified reiterate the unintended consequences we anticipate if this, or similar language were to be included in the highway reauthorization package in the coming weeks. At this critical time for impactful infrastructure investment, we cannot arbitrarily handicap state departments of transportation, agencies, and contractors by cutting off major supply sources of the raw materials and equipment needed to build key transportation infrastructure projects.

Thank you again for your steadfast leadership during this important time for our nation. We look forward to working with you and your colleagues on a successful and historic surface transportation reauthorization.

Sincerely,

American Association of Port Authorities
American Concrete Pipe Association
American Council of Engineering Companies
American Road & Transportation Builders Association
American Traffic Safety Services Association
Associated Equipment Distributors
Associated General Contractors of America
Association of Equipment Manufacturers
National Asphalt Pavement Association
National Ready Mixed Concrete Association
National Stone, Sand & Gravel Association
Precast/Prestressed Concrete Institute
U.S. Chamber of Commerce

cc: Members of the House Transportation & Infrastructure Committee