DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

Buy America Waiver Notification

AGENCY: Federal Highway Administration (FHWA), Department of Transportation (DOT).

ACTION: Notice.

SUMMARY: This notice provides information regarding FHWA’s finding that a Buy America waiver is appropriate for the obligation of Federal-aid funds for 21 State projects involving the acquisition of vehicles and equipment on the condition that they be assembled in the U.S.

DATES: The effective date of the waiver is May 28, 2015.

FOR FURTHER INFORMATION CONTACT: For questions about this notice, please contact Mr. Gerald Yakovenko, FHWA Office of Program Administration, 202–366–1562, or via email at gerald.yakovenko@dot.gov. For legal questions, please contact Mr. Jomar Maldonado, FHWA Office of the Chief Counsel, 202–366–1373, or via email at jomar.maldonado@dot.gov. Office hours for the FHWA are from 8:00 a.m. to 4:30 p.m., e.t., Monday through Friday, except Federal holidays.

SUPPLEMENTARY INFORMATION:

Electronic Access


Background

This notice provides information regarding FHWA’s finding that a Buy America waiver is appropriate for the obligation of Federal-aid funds for 21 State projects involving the acquisition of vehicles (including sedans, vans, pickups, trucks, buses, and street sweepers) and equipment (such as snooper truck and trail grooming equipment) on the condition that they be assembled in the U.S. The waiver would apply to approximately 249 vehicles. The requests, available at http://www.fhwa.dot.gov/construction/contracts/cmaq150325.cfm, are incorporated by reference into this notice. These projects are being undertaken to implement air quality improvement, safety, and mobility goals under FHWA’s Congestion Mitigation and Air Quality Improvement Program; National Bridge and Tunnel Inventory and Inspection Program; and the Recreational Trails Program.

Title 23, Code of Federal Regulations, section 635.410 requires that steel or iron materials (including protective coatings) that will be permanently incorporated in a Federal-aid project must be manufactured in the U.S. For FHWA, this means that all the processes that modified the chemical content, physical shape or size, or final finish of the material (from initial melting and mixing, continuing through the bending and coating) occurred in the U.S. The statute and regulations create a process for granting waivers from the Buy America requirements when its application would be inconsistent with the public interest or when satisfactory quality domestic steel and iron products are not sufficiently available. In 1983, FHWA determined that it was both in the public interest and consistent with the legislative intent to waive Buy America for manufactured products other than steel manufactured products. However, FHWA’s national waiver for manufactured products does not apply to the requests in this notice because they involve predominately steel and iron manufactured products. The FHWA’s Buy America requirements do not have special provisions for applying Buy America to “rolling stock” such as vehicles or vehicle components (see 49 U.S.C. 5323(j)(2)(C), 49 CFR 661.11, and 49 U.S.C. 24405(a)(2)(C) for examples of Buy America rolling stock provisions for other DOT agencies).

Based on all the information available to the agency, FHWA concludes that there are no domestic manufacturers that produce the vehicles and vehicle components identified in this notice in such a way that their steel and iron elements are manufactured domestically. The FHWA’s Buy America requirements were tailored to the types of products that are typically used in highway construction, which generally meet the requirement that steel and iron materials be manufactured domestically. In today’s global industry, vehicles are assembled with iron and steel components that are manufactured all over the world. The FHWA is not aware of any domestically produced vehicle on the market that meets FHWA’s Buy America requirement to have all its iron and steel be manufactured exclusively in the U.S. For example, the Chevrolet Volt, which was identified by many commenters in a November 21, 2011, Federal Register Notice (76 FR 72027) as a car that is made in the U.S., is comprised of only 45 percent of U.S. and Canadian content according to the National Highway Traffic Safety Administration’s Part 583 American Automobile Labeling Act Report Web