



National Electrical Manufacturers Association

The association of electrical equipment
and medical imaging manufacturers
www.nema.org

April 15, 2024

Marcia L. Fudge
Secretary
U.S. Department of Housing and Urban Development
451 7th Street SW
Washington, DC 20460

Re: FR-6433-N-01, Request for Information Regarding Iron, Steel, Construction Materials, and Manufactured Products used in Housing Programs Pursuant to the Build America, Buy America Act

Dear Secretary Fudge:

The National Electrical Manufacturers Association (NEMA) appreciates the opportunity to submit the following comments to the Department of Housing and Urban Development concerning the current domestic market for products and materials used in housing projects. Specifically, this letter seeks to provide recommendations and industry perspective in response to the questions put forth in the request for information issued by HUD on February 13, 2024, docket number FR-6433-N-01.

NEMA commends HUD for taking action to understand the current state of the domestic market for products used in housing projects and assess the present and future availability of products and systems that comply with the Build America, Buy America Act (BABA) requirements included in the Infrastructure Investments and Jobs Act (IIJA). As the leading U.S. trade group representing electrical equipment manufacturers, NEMA shares the Administration's fundamental goal of using taxpayer dollars to create good-paying American jobs and shore up domestic supply chains. Our nearly 325 Member companies provide a range of products for high-performance buildings, electric vehicles, and the utility sectors. The electroindustry provides some 1.6 million American manufacturing jobs, resulting in over \$201 billion in annual U.S. GDP contributions. While NEMA supports swift implementation of the IIJA and BABA domestic preference requirements for infrastructure projects that receive federal financial assistance, we also recognize the limited availability of domestically produced materials exacerbated by ongoing supply chain and workforce disruptions.

Over the past two years, NEMA has consistently been raising key issues with respect to agencies' implementation of BABA requirements—chief among them being the crucial importance of having a clear, consistent set of rules across agencies that account for the supply chain realities faced by U.S. manufacturers as they work to comply with the law. Many of the global supply chains that are vital to BABA's success cannot be re-shored immediately, and the federal government must provide continued support and regulatory certainty for U.S. manufacturers as they navigate the practical and logistical impediments for re-orienting supply chains and make the requisite long-term investments to re-shore, near-shore, or friend-shore operations and assets.

As HUD evaluates the domestic market for BABA-covered products in housing projects, NEMA urges the agency to undertake a market-based, phased approach to implementing BABA requirements that is similar to the targeted waiver processes adopted by the Federal Highway Administration (FHWA) and National Telecommunications and Information Administration (NTIA) for EV chargers and the Broadband Equity, Access, and Deployment (BEAD) program, respectively. In the case of EV chargers, FHWA created a phase-in period for applying BABA requirements, allowing the agency to obtain and monitor market data and industry feedback on domestic production capacity as domestic preference requirements gradually take effect. With respect to the BEAD program, NTIA issued a limited BABA waiver for certain items and components used to build broadband networks that are not made in the U.S. in sufficient quantities, which it intends to review annually. In short, NEMA strongly encourages HUD to follow suit and adopt a BABA implementation process for housing projects wherein the agency conducts regular check-ins with industry stakeholders and bases decisions on industry feedback and robust market data. Ultimately, NEMA believes that taking such a tailored and strategic approach to growing U.S. manufacturing capacity and strengthening supply chain capabilities will foster responsible right-shoring, drive investments in new markets and expand existing ones, and help achieve the overarching goals of IJJA by ensuring industry has the support and flexibility it needs to navigate near-term challenges and modernize our nation's infrastructure.

The following products have been identified by NEMA member companies as products that are critical to housing projects that may require waivers of BABA requirements:

1. Construction transformers
2. Load interrupter switches
3. Motor control centers
4. Panel boards
5. Safety switches
6. Switchboards
7. Uninterruptible power supplies

NEMA encourages HUD to solicit further stakeholder input on these products. Some products may benefit from a waiver where manufacturing in the U.S. is required but the 55% domestic content requirement is phased in over time, similar to waivers other agencies have issued. Others could benefit from clearer guidance from HUD on whether they are considered a subcomponent, component, or manufactured product. Additional guidance from HUD on how the agency will be defining and assessing kits and systems is needed. Another productive approach would be to allow components and materials to be sourced from countries with which the U.S. has a free trade agreement.

NEMA appreciates HUD's efforts to gather the most comprehensive and current information available on the state of the domestic market for BABA-covered products used in housing projects, and we urge the agency to consider establishing an ongoing public engagement process that extends beyond the formal comment period for this particular request for information to enable industry stakeholders the opportunity to provide continued feedback. To further discuss the agency's implementation of BABA requirements for housing projects, NEMA

requests a meeting with the appropriate staff at the Department. We appreciate your consideration of the following comments and please contact Madeleine Bugel, Director of Government Relations, at Madeleine.Bugel@nema.org with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Spencer Pederson", written in a cursive style.

Spencer Pederson
Senior Vice President, Public Affairs
National Electrical Manufacturers Association