



August 3, 2023

The Honorable Mitch Landrieu
Senior Advisor and Infrastructure Coordinator
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20050

Mr. John Podesta
Senior Advisor to the President for Clean
Energy Innovation and Implementation
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20050

Dear Mr. Landrieu and Mr. Podesta:

The Biden-Harris Administration has taken historic action to boost U.S. economic competitiveness and technological innovation, signing into law landmark legislation - the Infrastructure Investment and Jobs Act (IIJA), Inflation Reduction Act (IRA), and CHIPS and Science Act (CHIPS Act) - which make critical investments to expand the domestic manufacturing base, enhance national security with respect to critical technologies, and bolster and improve domestic supply chains for vital components.

While we share the Administration's goals of strengthening U.S. economic resilience, securing domestic supply chains, and reducing dependence on geopolitical adversaries for sourcing raw materials and supplies, an approach to implementing BABA that is unevenly applied, lacks nuance, scaling over time, and consideration of current gaps in domestic manufacturing will hinder our ability to realize the President's infrastructure vision.

There is growing concern that the proposed BABA guidance is insufficient in substance and clarity to allow our industries to help you achieve our shared goals embodied in the Administration's legislative accomplishments. The inability to deploy resources and technologies due to BABA compliance barriers and complexities will result in fewer infrastructure, decarbonization, and electrification projects in the coming years, which is a scenario that we all want to avoid.

As the Administration continues to chart a path toward an electrified, clean energy economy, we write to underscore the importance of strategic, deliberate, and consistent implementation of BABA domestic content preferences that reflects supply chain realities faced by U.S. manufacturers, further complicated by the current global geopolitical environment.

An implementation strategy for BABA domestic content preferences that takes these realities into account will provide businesses with a reasonable level of certainty and predictability that are necessary to deliver on both the short and the long-term objectives of the IIJA, IRA, and CHIPS Act. As implementing agencies continue to engage with stakeholder groups and issue

guidance for projects and programs subject to domestic content preferences, they must balance domestic content imperatives with broader investment objectives to avoid unintended consequences, such as project delays, cost overruns or complete project deferrals, that are counterproductive to achieving the Administration's vision for growing the U.S. economy. Furthermore, as currently proposed, product supply chains face very different requirements when supplying products via federal procurement, to a federally funded infrastructure project, and to an IRA-supported clean energy project. The lack of alignment with the federal government's own domestic content policies adds to the lack of clarity and consistency sought by manufacturers, distributors, and contractors.

On top of that, White House-issued guidance exempts some entities from BABA resulting in an uneven playing field in competitive grant programs.

Re-orienting supply chains and expanding the domestic manufacturing base will take investment, planning and an implementation runway. A pragmatic regulatory landscape must allow adequate time and flexibility to comply with domestic content preferences as the re-orientation and expansion occurs and provide continued technical support and training as businesses evaluate, plan for, and make the necessary decisions and investments to on-shore, near-shore, or friend-shore operations and assets.

Leveraging existing trade partnerships and agreements with key foreign allies is a critical component for succeeding in eliminating bottlenecks, expediting commerce, and securing supply chains to spur economic growth and level the playing field for global competition. However, BABA and other domestic content policies send conflicting messages on the Administration's priorities of de-risking supply chains. Maintaining effective cooperation and communication with like-minded trading partners applies appropriate pressure on China, Russia, and other geopolitical adversaries who have an interest in disrupting efforts to re-orient supply chains in a post-pandemic global economy.

We look forward to working with you to ensure that BABA domestic content preferences are implemented in a way that equally applies to all entities, recognizes near-term supply chain challenges, and contributes to the shared vision of a burgeoning domestic manufacturing base and pragmatic regulatory landscape that puts the U.S. on the path toward a clean energy future. Doing so will help ensure quality jobs at home and a globally interconnected web of trade corridors with our free trade partners and key foreign allies.

We request to discuss these issues with you at the earliest convenience to allow us all to capitalize on these historic investments in America's economy.

Sincerely,

National Electrical Manufacturers Association
National Electrical Contractors Association
American Public Power Association
National Association of Electrical Distributors
National Rural Electric Cooperative Association
Information Technology Industry Council