



## **The Buy America Act**

### ***Supporting Good, Green Jobs In Federal Infrastructure Investments***

On July 1, 2009 United Streetcar, an American company based in Oregon, unveiled the first streetcar to be manufactured in America in almost 60 years.<sup>1</sup> The streetcar, one of a small fleet contracted by the city of Portland, was built locally with materials supplied by businesses from states as far off as Illinois and Pennsylvania. United Streetcar established itself in the market and galvanized local and national businesses because their project complied with “Buy America” statutes, valuable provisions of federal infrastructure legislation that support American workers and deserve continued Congressional support.

Originally instituted in the early 1980s and expanded by President Ronald Reagan in 1982 as a provision of the *Surface Transportation Assistance Act*, Buy America statutes ensure that projects receiving federal funding use iron, steel and manufactured goods made in America. For over 30 years American infrastructure has been built with American materials, helping to create millions of domestic jobs, support U.S. industries, and stem the outsourcing of manufacturing activities overseas. Buy America statutes provide both economic and environmental benefits, making them an invaluable part of U.S. policy.

The U.S. economy benefits substantially from the Buy America statutes, which have simultaneously saved and created manufacturing jobs through the recent economic downturn. A 2009 analysis conducted by the University of Massachusetts – Amherst predicted that the application of Buy America requirements to *American Recovery and Reinvestment Act* projects would increase the number of jobs created in the U.S. by as much as 33 percent.<sup>2</sup> By encouraging contractors to employ American workers and buy American iron, steel and manufactured goods, Buy America statutes ensure that taxpayer money benefits the U.S. economy.

By supporting domestic production of steel and other manufactured goods, Buy America decreases the negative environmental impacts of international shipping and under-regulated manufacturing in foreign countries. According to the International Maritime Organization, 90 percent of the world’s trade travels by sea.<sup>3</sup> Carbon emissions from the shipping industry are growing steadily as developed countries increasingly outsource production overseas. The U.S. Environmental Protection Agency estimates carbon emissions from global shipping are expected to increase 150 to 250 percent by 2050 if policies to

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<sup>1</sup> “Transportation Secretary LaHood Visits Portland”. *United Streetcar LLC*. United Streetcar. Web. 1 Jun. 2012.

<sup>2</sup> Alliance for American Manufacture. *Buy America: Key to America’s Economic Recovery*. Alliance for American Manufacturing, 2009. Web. 1 Jun. 2012.

<sup>3</sup> International Maritime Organization. *IMO and the Environment*. IMO. Web. 31 May 2012.

reduce emissions aren't implemented.<sup>4</sup> For example, the share of steel traded internationally has grown from 22 percent in the mid-1970s to 40 percent in 2000, making it a contributor to the impact of overseas shipping.<sup>5</sup> Buy America gives American iron, steel and manufactured goods the edge they need to compete with foreign suppliers, thus decreasing the effect of international shipping on the environment.

Buy America statutes give precedence to domestic producers of iron, steel and manufactured goods over foreign competitors, who may follow less rigorous pollution and quality control standards and consequently cause harm to the environment. For example, Chinese steelmakers, free of stringent pollution control standards, emit 3.53 kg of carbon dioxide per ton of steel produced, while steelmakers in the U.S. emit 0.7 kg of carbon dioxide per ton of steel.<sup>6</sup> Not only does Buy America support American jobs and workers, it also ensures the environmental accountability of domestic manufacturers.

A key component of policy since the 1980s, Buy America statutes help create jobs, provide significant environmental benefits, and ensure America's infrastructure is built with high-quality, domestic materials. Manufacturers, environmentalists, and workers support Buy America as smart policy, and any attempt to weaken Buy America statutes would be a harmful blow to the U.S. economy, American workers, and the environment. Continued Congressional support of the Buy America statutes will ensure continued compliance with high environmental standards in federally-funded projects while creating valuable American jobs.

Domestic streetcars for our cities scratch the surface of American production potential – new bridges, highways, rail systems and the sustained economic well-being of American workers are all possible with the continued support of Buy America provisions.

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<sup>4</sup> Environmental Protection Agency. *Adoption of an Energy Efficiency Design Index for International Shipping*. Environmental Protection Agency, 2011. Web. 31 May 2012.

<sup>5</sup> Bradley, Rob et al. *Slicing the Pie: Sector-Based Approaches to International Climate Agreements*. Washington, D.C.: World Resources Institute, 2007. Web. 31 May 2012.

<sup>6</sup> Alliance for American Manufacturing. *An Assessment of Environmental Regulation of the Steel Industry in China*. Alliance for American Manufacturing, 2009. Web. 31 May 2012.