



U.S. Department
of Transportation

**Federal Highway
Administration**

Memorandum

Subject **INFORMATION:** Buy America and NAFTA

Date APR 22 1994

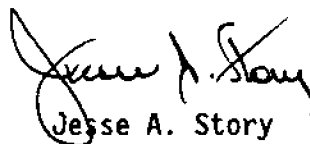
From Acting Chief, Construction and
Maintenance Division

Reply to
Attn of HNG-22

To Regional Federal Highway Administrators

This office has received several inquiries concerning the effect of the North American Free Trade Agreement (NAFTA) on the FHWA Buy America Requirements. The attached letter from Administrator Slater to Mr. T. Peter Ruane, President and Chief Executive Officer of the American Road and Transportation Builders Association, explains the situation regarding NAFTA and Buy America. Article 1001 of NAFTA expressly exempts grants, loans, cooperative agreements, and other forms of Federal financial assistance from its coverage. Unless future negotiations create additional requirements, the NAFTA does not affect the Buy America requirements for Federal-aid highway construction projects.

Mr. Willett's September 16, 1993, memorandum required a nationwide review of Buy America certification processes and the investigation of the use of foreign "pig iron." The responses from the division and region offices have been read and analyzed by this office. While the review showed that most division offices are comfortable with their State's certification process, the reviews also noted a small amount of foreign "pig iron" and foreign pelletized iron ore being used to manufacture steel and iron materials. We are in the process of developing a position paper on how best to address the deficiencies noted during the review and determine whether a policy change may be necessary. If you have any questions, please contact either Mr. David R. Geiger at (202) 366-0355 or Mr. Edward A. Sheldahl at (202) 366-1565.


Jesse A. Story

Attachment

