

SANBAG Board Shows Commitment to Buy America and Local Businesses

Executive Vice President of California Steel Industries (CSI), Inc., Brett Guge, gave a presentation to the SANBAG Board of Directors on the impacts of Federal Buy America requirements on his industry. CSI, which is located in the City of Fontana, is the largest steel mill in the Western U.S. and a major employer in San Bernardino County. CSI is a "slab converter" mill that takes steel slabs and transforms them into steel sheet that it's customers then use to manufacture numerous products like pipe and guardrails for highway projects.

The broadened application to include all contracts on projects receiving federal funds starting October 1, 2012 has created several project implementation issues. These contracts now have to ensure that all iron and steel incorporated into the projects have to be domestically produced.

The FHWA has granted a six-month transition period in which Buy America compliance will not be required for non-federally funded utility relocations if items are certified as unavailable domestically or the time allowed for domestic purchases is insufficient. Unfortunately, the recent FHWA guidance does not help companies like CSI who are continuing to experience uncertainty and difficulty with slab requirements. Since it is necessary to import most steel slab materials, a majority of CSI's products are ineligible for Buy America.

SANBAG has supported the intent of the Buy America policy to increase domestic jobs; however, the broadened application is threatening the jobs of over 1,000 employees at CSI and it's hundreds of customer manufacturers. The U.S. Department of Transportation (DOT) has a formal waiver request process. Such a waiver, if granted, will allow western highway and transit projects to use locally produced steel sheet and plate products, saving money and creating jobs. The SANBAG Board of Directors has committed to exploring all options while advocating for the right approach to ensure CSI can comply with federally funded highway projects.