

January 1, 2026

APPROVED:
Division Administrator

By: _____
FEDERAL HIGHWAY ADMINISTRATION

**DOMESTIC MATERIALS PREFERENCE FOR IRON AND STEEL PRODUCTS,
MANUFACTURED PRODUCTS, AND CONSTRUCTION MATERIALS**

Delete Subsection 106.10 of the Standard Specification in its entirety and replace with the following:

All articles, materials, or supplies permanently incorporated into federal-aid projects are to be classified into one of the following four categories:

- **Iron or steel products;** (Buy America Act, 23 CFR 635.410)
 - *Iron or steel products* means articles, materials, or supplies that consist wholly or predominantly of iron or steel or a combination of both.
 - *Predominantly of iron or steel or a combination of both* means that the cost of the iron and steel content exceeds 50 percent of the total cost of all its components. The cost of iron and steel is the cost of the iron or steel mill products (such as bar, billet, slab, wire, plate, or sheet), castings, or forgings utilized in the manufacture of the product and a good faith estimate of the cost of iron or steel components.
- **Manufactured products;** (Buy America Act, 23 CFR 635.410)
 - *Manufactured products* means articles, materials, or supplies that have been:
 - Processed into a specific form and shape; or
 - Combined with other articles, materials, or supplies to create a product with different properties than the individual articles, materials, or supplies.
- **Construction materials;** (Build America, Buy America (BABA) Act, 2 CFR 184)
 - *Construction materials* means articles, materials, or supplies that consist of only one of the following items:
 - Non-ferrous metals;
 - Plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
 - Glass (including optic glass);
 - Fiber optic cable (including drop cable);
 - Optical fiber;
 - Lumber;
 - Drywall; or
 - Engineered wood.

Minor additions of articles, materials, supplies, or binding agents to a construction material do not change the categorization of the construction material. To the extent one of the listed construction materials contains as inputs other listed materials, it is nonetheless a construction material.

- **Other Materials.**

- *Other Materials* means articles, materials, or supplies not otherwise categorized under this subsection including the Infrastructure Investment and Jobs (IIJA) Act Section 70917(c) excluded materials: cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives.

An article, material, or supply should not be considered to fall into multiple categories. The classification of an article, material, or supply as falling into one of the categories listed above is determined on its status at the time it is brought to the work site for incorporation into the project. In general, the work site is the location of the project at which the iron, steel, manufactured products, and construction materials will be incorporated.

With respect to precast concrete products that are classified as manufactured products, components of precast concrete products that consist wholly or predominantly of iron or steel or a combination of both shall also meet the requirements for iron or steel products of this specification. The cost of such components shall be included in the applicable calculation for purposes of determining whether the precast concrete product is produced in the United States.

With respect to intelligent transportation systems and other electronic hardware systems that are installed in the highway right of way or other real property and classified as manufactured products, the cabinets or other enclosures of such systems that consist wholly or predominantly of iron or steel or a combination of both shall meet the requirements for iron or steel products of this section. The cost of cabinets or other enclosures shall be included in the applicable calculation for purposes of determining whether systems referred to in the preceding sentence are produced in the United States.

Iron and steel products permanently incorporated into federal-aid projects must be produced in the United States. All manufacturing processes, from the initial melting stage through the application of coatings, must occur in the United States. When steel and iron materials are used in a project, the requirements of this specification do not prevent a minimal use of foreign steel and iron materials if the cost of such materials used does not exceed one-tenth of one percent (0.1 percent) of the total as awarded contract cost or \$2,500, whichever is greater. For purposes of this paragraph, the cost is that shown to be the value (invoiced cost) of the steel and iron products. The RCE must approve the use of any foreign steel or iron products prior to incorporation into the project. Real-time incorporation tracking of the foreign materials must be done to the satisfaction of the RCE to ensure the maximum allowance is not exceeded.

A material certification (one per shipment) certifying compliance with this Supplemental Specification and the applicable federal regulations must be submitted to the RCE prior to incorporating any steel and iron products into the project unless the material is already identified as meeting this Supplemental Specification for federal-aid projects on a Qualified Product List (QPL). This includes certification of predominantly steel and iron components of specific manufactured products specified above.

Manufactured products permanently incorporated into federal-aid projects must meet the following requirements:

- For projects obligated on or after October 1, 2025 (letting date of December 1, 2025), final assembly of all manufactured products must occur in the United States;
- For projects obligated on or after October 1, 2026 (letting date of December 1, 2026), in addition to the final assembly requirement, the cost of components of products that are mined, produced, or manufactured in the United States must be greater than 55 percent of the total cost of all components of the manufactured product.

In determining whether the cost of components for manufactured products is greater than 55 percent of the total cost of all components, determine the cost as follows:

- For components purchased by the manufacturer, the acquisition cost, including transportation costs to the place of incorporation into the manufactured product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
- For components manufactured by the manufacturer, all costs associated with the manufacture of the component, including transportation costs, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the manufactured product.

A material certification (one per shipment) certifying compliance with this Supplemental Specification and the applicable federal regulations must be submitted to the RCE prior to incorporating any manufactured products into the project unless the material is already identified as meeting this Supplemental Specification for federal-aid projects on a Qualified Product List (QPL). This includes certification of predominantly steel and iron components of specific manufactured products specified above.

Construction materials permanently incorporated into federal-aid projects must be produced in the United States. This applies to the following construction materials. Each construction material is followed by a standard for the material to be considered “produced in the United States.”

- *Non-ferrous metals.* All manufacturing processes, from initial smelting or melting through final shaping, coating, and assembly, occurred in the United States;
- *Plastic and polymer-based products* (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables). All manufacturing processes, from initial combination of constituent plastic or polymer-based inputs, or, where applicable, constituent composite materials, until the item is in its final form, occurred in the United States;
- *Glass* (including optic glass). All manufacturing processes, from initial batching and melting of raw materials through annealing, cooling, and cutting, occurred in the United States;
- *Fiber optic cable (including drop cable).* All manufacturing processes, from the initial ribboning (if applicable), through buffering, fiber stranding and jacketing, occurred in the United States. All manufacturing processes also include the standards for glass and optical fiber, but not for non-ferrous metals, plastic and polymer-based products, or any others;
- *Optical fiber.* All manufacturing processes, from the initial preform fabrication stage

- through the completion of the draw, occurred in the United States;
- *Lumber*. All manufacturing processes, from initial debarking through treatment and planing, occurred in the United States;
 - *Drywall*. All manufacturing processes, from initial blending of mined or synthetic gypsum plaster and additives through cutting and drying of sandwiched panels, occurred in the United States;
 - *Engineered wood*. All manufacturing processes from the initial combination of constituent materials until the wood product is in its final form, occurred in the United States.

A material certification (one per shipment) certifying compliance with this Supplemental Specification and the applicable federal regulations must be submitted to the RCE prior to incorporating any construction materials into the project unless the material is already identified as meeting this Supplemental Specification for federal-aid projects on a Qualified Product List (QPL).

When manufactured products and construction materials are used in a project, the requirements of this specification do not prevent a minimal use of non-compliant manufactured products and construction materials when the total value of the non-compliant products is no more than the lesser of \$1,000,000 or 5% of total cost for the project, as defined by the NEPA decision. For purposes of this paragraph, the cost is that shown to be the value of the manufactured products and construction materials. The RCE must approve the use of any non-compliant manufactured products or construction materials prior to incorporation into the project. Real-time incorporation tracking of the non-compliant materials must be done to the satisfaction of the RCE to ensure the maximum allowance is not exceeded.

Lesser of \$1M or 5 percent calculation:

Value of Non-compliant Construction Materials+ Manufactured Products

Value of ALL Materials (Steel + Iron + Manufactured Products + Construction Materials)