



NATIONAL ASPHALT  
PAVEMENT ASSOCIATION

# BUY CLEAN PROCUREMENT

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*KEY FEDERAL ACTIONS IN THE 117<sup>TH</sup> CONGRESS DRIVING THE MARKET FOR LOW CARBON  
CONSTRUCTION MATERIALS!*

Delivered to the California Construction And Industrial Materials Association (CalCIMA)

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# KEY FEDERAL ACTIONS

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- Infrastructure Investment & Jobs Act (IIJA) Enacted November 15, 2021
  - \$1.2 trillion to upgrade and modernize infrastructure
  - Federal Government single largest purchaser of common construction materials
- Executive Order 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability Issued December 8, 2021
  - Section 303 Establishes “Buy Clean Task Force”
  - Mission: to expand consideration of embodied emissions and pollutants of construction materials in federal procurement and federally funded projects.

# ALL GOVERNMENT APPROACH

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- Buy Clean Task Force
  - Under White House Council on Environmental Quality
  - Consists of multiple Federal agency heads
  - Mission: procure low-carbon construction materials
    - Identify low-carbon materials
    - Provide incentives and pilot programs
    - Address data gaps
    - Assist manufacturers



# GENERAL SERVICES ADMINISTRATION (GSA)

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- Large Commercial Real Estate Holdings
  - Post Offices, Courts, Federal Buildings, Landports
  - \$75b Portfolio
- Surveyed asphalt and concrete industry on availability of materials with superior environmental attributes
  - Buy clean material standard issued
  - Requires Environmental Product Declaration (EPD) for paving projects, among other things

# CARBON REDUCTION PROGRAM

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- IIJA Provides **\$6.4 billion** for Low Carbon Projects
  - Wicker-Stabenow amendment made “paving activities” eligible
  - FHWA issued guidance making paving activities eligible
    - *“Sustainable pavement technologies that reduce embodied carbon during the manufacture and/or construction of highway projects could be eligible if a lifecycle assessment (LCA) demonstrates substantial reductions in CO2 compared to typical pavement-related practices.”*
  - Big win for construction material markets!

# HIGHWAY & ROAD GRANTS

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- FHWA Climate Challenge Grants
  - Up to **\$500,000** to assist state DOT's to quantify CO2 emissions and develop sustainable pavement practices
- Accelerated Implementation and Deployment of Pavement Technologies (AIDPT)
  - **\$60m** over 5-years to focus on
    - impacts on vehicle efficiency;
    - the energy efficiency of the production of paving materials and the ability of paving
    - materials to enhance the environment and promote sustainability
    - integration of renewable energy in pavement designs

# NOTICES OF ADDITIONAL IJA FUNDING OPPORTUNITIES FOR STATES

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- The US DOT will be looking to fund projects that “*incorporate lower-carbon pavement and construction materials*” and projects that “*proposes recycling of materials, use of materials known to reduce or reverse carbon emissions, or both*”.
  - National Infrastructure Project Assistance (MEGA) Program **\$1 billion** for major projects
  - Infrastructure for Rebuilding America (INFRA) Program **\$1.55 billion** for highway projects
  - Rural Surface Transportation Grant Program **\$300 million** for road projects in rural areas
  - Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program **\$2.275 billion** for road projects.
- FAA announced **\$1 billion** in available grants for airport projects including “*incorporate sustainable pavement and construction materials as allowable.*”

# OTHER PENDING REGULATORY ACTIVITIES

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- USDOT Regulatory Program
  - FHWA issued GHG Performance Management Rule
- The US Securities and Exchange Commission (SEC) Rule
  - Would require public companies to provide detailed reporting of their climate-related risks, emissions, and net-zero transition plans.
- Federal Acquisition Regulations (FAR)
  - FAR case opened to revise government-wide direct procurement contracts to implement Buy Clean requirements



# INFLATION REDUCTION ACT: PUBLIC LAW 117-169

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- **\$369 Billion** to Drive Significant Reduction in GHG Emissions
  - 40% reduction below 2005 levels
- Combined effects of the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA) will drive technology innovation in the construction materials industry
- IRA Spans a Range of Governmental Agencies and Programs
  - Associations will play a key role in assisting industry in implementation

# NEW FEDERAL “GRANT” PROGRAMS UNDER IRA

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- Advanced Industrial Facilities Deployment Program - **\$5.8 billion**
  - Department of Energy
  - Grants of up to 50% for the cost to design, install advanced technologies on plants
- Environmental Product Declaration Assistance - **\$250 million**
  - Environmental Protection Agency (EPA)
  - Grants to develop and standardize EPD's for construction materials' industry
- Use of Low-Carbon Construction Materials - **\$2.15 billion**
  - General Services Administration
  - Grants to procure low-embodied construction materials, as determined by EPA

# NEW FEDERAL “BUY CLEAN” PROCUREMENT

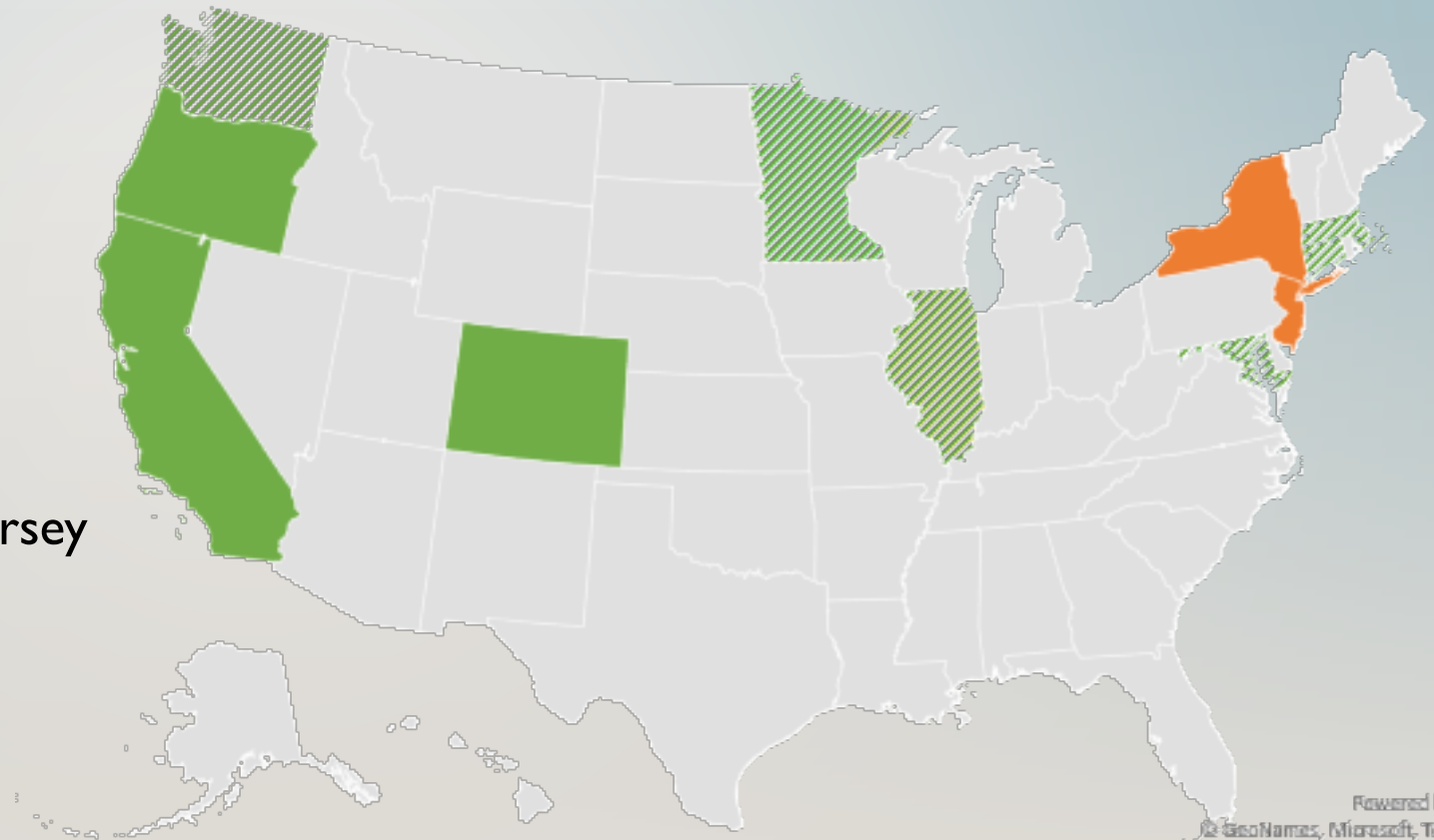
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- Low-Embodied Carbon Labelling for Construction Materials
  - EPA to identify and label low-embodied carbon construction materials based on EPD's.
- Low-Carbon Transportation Materials Grants - **\$2 billion**
  - Federal Highway Administration
  - Grants to states/local governments to reimburse or provide incentives for the use of construction materials, *as determined by EPA (above)*
- FEMA Build Materials Program
  - Federal Emergency Management Administration
  - Allows existing funds to be used for use of low-carbon construction materials

# STATE & LOCAL BUY CLEAN PROGRAMS

Jurisdictions with Buy Clean policies that include material mixtures

- California
- Colorado
- Oregon
- Port Authority of New York and New Jersey
- Illinois, Minnesota, other states are considering policies



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& GeoNames, Microsoft, TomTom

■ State Wide ■ Local Agency ■ Proposed Bill

# MORE INFORMATION

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- Final Text of the Inflation Reduction Act (IRA):
  - <https://www.congress.gov/117/bills/hr5376/BILLS-117hr5376eas.pdf>
- Senate Democrats Summary of IRA:
  - <https://www.democrats.senate.gov/inflation-reduction-act-of-2022>
- Senate Environment and Public Works summary of IRA provisions:
  - <https://www.epw.senate.gov/public/index.cfm?p=inflation-reduction-act-of-2022>
- Senate Energy and Natural Resources summary of (IRA) provisions:
  - <https://www.energy.senate.gov/2021/8/senate-passes-manchin-s-bipartisan-infrastructure-bill>
- NAPA Summary of IRA Provisions:
  - [https://www.asphaltpavement.org/uploads/documents/Key\\_Asphalt\\_Provisions\\_in\\_IRA.pdf](https://www.asphaltpavement.org/uploads/documents/Key_Asphalt_Provisions_in_IRA.pdf)