

## **Buy America Impacts on Asphalt**

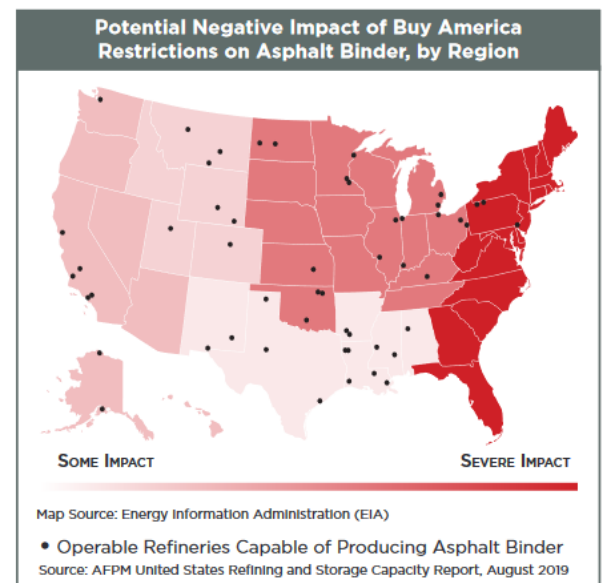
**Intro to NAPA:** The National Asphalt Pavement Association (NAPA) is the lone trade association representing over 1,100 asphalt pavement producers and lay down contractors across all 50 states. These plants produce over 400 million tons of asphalt pavement every year and employ 350,000 people nationwide. Asphalt comprises 94% of the highway pavement market and 80% of the airfield pavement market. 100% of the asphalt pavement used in our national roadway market is produced in the United States, with only some key raw materials coming from outside our borders. Asphalt pavement is primarily made from 2 ingredients: roughly 5% is [asphalt binder](#) (Bitumen-black sticky residue left over from processing crude oil) and 95% is aggregate (sand and gravel).

### **Sourcing Raw Materials**

It is most cost effective to source aggregate as close as possible to the asphalt plant, for asphalt production, as transportation logistics are the highest variable costs. However, asphalt binder is typically sourced further away due to limited refining capacities throughout the country.

### **Challenges with Sourcing Materials**

- Some states, particularly coastal states across the Gulf of Mexico, do not have significant aggregate reserves because of their proximity to the ocean and sea level. For example, much of Florida’s aggregate is shipped by barge from Canada and Mexico. While that seems extreme, barging aggregate into Florida removes significant financial and logistical challenges versus trucking aggregate from states with adequate reserves 200+ miles away.
- States in the Northeast and Midwest, like New York and Wisconsin, do not have access to asphalt binder locally due to limited refining capacities. Due to this, most asphalt producers in these areas import asphalt binder from Canada where refining capacity is greater.
- The Canadian crude has great properties for asphalt production: the viscosity of binder from the Canadian oil sands is ideal for asphalt production: NAPA has more info on this topic [here](#)
- Only 12% of all the asphalt binder used in the U.S comes from Canada, and 88% is produced in the U.S. But in communities where Canadian binder is utilized, it is the majority source for this key raw material input.



### **Buy America History**

- “Construction Materials” such as aggregate and asphalt binder had been exempted from Buy America provisions since the inception of the provisions back in the 1980’s
- During the passage of the Infrastructure and Jobs Act (IIJA), Congress included provisions from “Build America, Buy America” (BABA) that required all materials on transportation construction projects funded with IIJA to be sourced from the U.S; NAPA and construction material association partners included bipartisan language that excluded our key raw material inputs.
- Despite our bipartisan text in IIJA, two years passed before the Office of Budget and Management (OMB) affirmed that the BABA requirements did not include construction materials such as asphalt binder and aggregate. More information can be found [here](#)

### **The future of BABA in Congress**

- NAPA is thankful that members of Congress, both Democrats and Republicans, were able to engage with the Biden Administration and request clarity on BABA’s requirements for our raw construction material inputs
- Continuing the exemption for construction materials will prevent unintended consequences to the construction supply chain and provide contractors with the certainty they need to invest in equipment, infrastructure and people that they need to build America’s critical roads and bridges

**NAPA Contacts:** For more information, please contact NAPA’s Vice President of Government Affairs, [Nile Elam](#), or Director of Government Affairs, [Mitch Baldwin](#) regarding these critical issues and NAPA presence in your communities.