

Summary of New Federal "Buy Clean" Actions

The Biden administration on September 15, 2022 announced an <u>updated Buy Clean policy</u>, which directs federal agencies to buy low-emissions steel, concrete, asphalt, and flat glass. The policy is a major step toward decarbonizing the U.S. industrial sector and reducing emissions.

The purpose of <u>Federal Buy Clean Initiative</u> is to spur the development of low-carbon construction materials by leveraging the Federal government's purchasing power to buy cleaner materials, create a market differentiation for low-carbon construction materials, and provide incentives for lower-carbon materials.

Key Actions under September 15th announcement as follows:

- 1. The Federal government *will prioritize* the purchase of low carbon steel, concrete, asphalt, and flat glass construction materials.
- 2. The <u>Buy Clean Task Force</u> will provide instructions to agencies for integrating Buy Clean into federal procurement and funding process. Ultimately, this means public works projects will have to consider carbon emission impacts generated in the manufacturing of these materials.
- 3. The Federal Buy Clean policy will cover federal-funded projects (e.g., Federal-aid Highway funded projects.) The role of state DOTs will be critical.
- 4. In October, the White House will convene States to share knowledge and build capacity for public construction projects that lower carbon emissions.
- 5. The Administration will expand the reliability, transparency, and verification of Environmental Product Declarations (EPDs).
- 6. The Administration will launch Federal Buy Clean Initiative pilots across the country to accelerate innovations and develop a commercial path for a range of low carbon construction materials.
- 7. The Federal Buy Clean Task membership will expand from nine to seventeen members to include the Departments of Commerce, Homeland Security, Housing and Urban Development, Health and Human Services, NASA, and Veterans. They will join Agriculture, Defense, Energy, Transportation, Council on Environmental Quality, Environmental Protection Agency, the General Services Administration, and the Office of Management and Budget.

The <u>U.S. Department of Transportation also announced</u> on September 15th the following actions:

- 1. Explore the use and expansion of Environmental Product Declarations (EPDs);
- 2. Develop a Buy Clean policy based on EPD's that could:
 - a. Require EPDs;
 - b. Establish a carbon intensity ceiling;
 - c. Award performance-based bonuses to high performers; and
 - d. Make advanced purchasing commitments for breakthrough innovations.
- 3. Prioritize education and research on embodied carbon emissions; and
- 4. Establish a DOT Embodied Carbon Work Group to support these efforts and prioritize Buy Clean.

What this new Buy Clean policy means for the asphalt industry

These policy announcements build upon the funding made available for infrastructure projects under the Infrastructure Investment and Jobs Act (IIJA), coupled with \$5 billion in the Inflation Reduction Act (IRA) for agencies to begin procuring low-carbon construction materials, and \$5.8 billion in IRA to invest in retrofitting industrial facilities such as asphalt plants to reduce carbon emissions.

In addition to driving demand for lower-carbon construction materials, the President's latest actions also mean the Federal government is establishing new rules for domestic manufacturers to compete on a level playing field. A big part of this transition is the Federal government's willingness to incentivizing companies to adopt cleaner manufacturing processes.

For more information on the Federal government's Buy Clean Initiative, go to <u>NAPA's web site</u> or contact <u>Jay Hansen</u>.