



March 13, 2023

The Office of Management and Budget  
725 17th Street NW  
Washington, DC 20503

**RE: Docket No. OMB-2023-0004-0001**  
**Guidance for Grants and Agreements**

*Submitted via Rulemaking Portal: <http://www.regulations.gov>.*

The Zero Emission Transportation Association (ZETA) is an industry-backed coalition of member companies advocating for 100% electric vehicle (EV) sales. ZETA is committed to supporting policies that drive EV adoption, create hundreds of thousands of jobs, dramatically improve public health, and significantly reduce emissions. Our coalition spans the entire EV supply chain, encompassing critical minerals developers, original equipment manufacturers, charging infrastructure network operators, utility providers, and battery recyclers, among others.

We thank the White House Office of Management and Budget (OMB) for the opportunity to comment on its notice of proposed guidance for grants and agreements to implement the Buy America, Build America (BABA or Buy America) Act provisions of the Infrastructure Investment and Jobs Act (IIJA). ZETA looks forward to continuing to engage with OMB on this topic and bringing forward perspectives representing the entire EV supply chain.

ZETA appreciates OMB's effort to codify memorandum M-22-11 on initial BABA implementation guidance for infrastructure projects. IIJA contains multiple provisions that directly affect ZETA members and the EV supply chain.<sup>1</sup> In particular, programs relating to electric vehicle charging infrastructure and zero-emission school buses. Designing and implementing workable regulations for the Buy America provisions in IIJA will be critical to ensuring the EV supply chain can meet the goals of such significant federal investment in transportation electrification and decarbonization.

In regards to the proposed regulatory definitions at 2 CFR §184, ZETA recommends OMB incorporate the definitions at 49 CFR §661.3 for "end product" and "system." We believe these definitions provide a necessary level of clarity and specificity without being overly burdensome. Additionally, we agree with OMB that the "cost of components" definition should refer to the manufacturer, not the contractor, as the regulations pertaining to the cost of components for *manufactured* products.

ZETA also believes OMB should include the definition for "components" found at 48 CFR §25.003, as proposed. However, we request clarification regarding how OMB will treat subcomponents. ZETA's understanding is that the proposed guidance only requires that components exceeding 55% of the total cost of the end product be produced in the United States. This is only achievable if subcomponents can be sourced using an international supply chain. For example, many integral subcomponents and parts used in EV charging stations are not currently available in the U.S. in sufficient quantity, quality, or at a

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<sup>1</sup> <https://www.zeta2030.org/insights/electric-vehicle-provisions-in-the-infrastructure-investment-and-jobs-act>

reasonable price. Similarly, we ask that OMB confirm that spare and replacement subcomponents may also be sourced internationally. Applying domestic content requirements at the subcomponent level could force companies to significantly redesign their products, requiring new vendor and component audits and additional product recertification. These processes are lengthy and divert time, resources, and revenues away from infrastructure production and deployment. Accordingly, ZETA recommends that domestic content requirements remain at the component level and that OMB specifically clarify in 2 CFR §184 that subcomponents are not included.

As OMB moves forward with Buy America implementation, we encourage the Office do the following:

- Ensure that the market can secure an American supply chain by establishing a minimum domestic content standard and final assembly requirements;
- Provide regulatory certainty with a predictable, well-defined timeline for when new domestic preference regulations are implemented;
- Ensure that these requirements are implemented with a complete understanding of the zero-emission vehicle supply chain;
- Coordinate across the Executive Branch to ensure consistent application of Buy America requirements in a way that streamlines regulatory burden and avoids different sets of requirements for projects funded by different agencies;
- Codify in 2 CFR §184 that domestic content requirements do not apply at the subcomponent level.

As EV adoption continues to grow in the United States, IIJA investments will present economic growth and public service opportunities for communities across the country. In addition, Buy America requirements will encourage domestic production and incentivize the development of a domestic supplier ecosystem and workforce. ZETA and its members stand ready to help OMB implement a path forward that ensures the statutory intent of BABA is met while also ensuring the requirements do not impede the momentum behind transportation electrification and decarbonization.

ZETA and our member companies appreciate the opportunity to comment on this proposed guidance. If you have any questions or concerns, please contact me at [al@zeta2030.org](mailto:al@zeta2030.org).



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