




Memorandum

Date: August 8, 2023

Subject: INFORMATION: Audit Announcement | FHWA's Oversight of Buy America Requirements | Project No.23Z3002Z000 | Federal Highway Administration

From: Carolyn J. Hicks 
Assistant Inspector General for Acquisition and Procurement Audits

To: Federal Highway Administrator

The Infrastructure Investment and Jobs Act (IIJA)¹ invested approximately \$350 billion in Federal funding during fiscal years 2022 through 2026 for the Federal Highway Administration's (FHWA) surface transportation programs. The act significantly increases investment in the Nation's highway infrastructure and strengthens Made in America laws. Under these laws, an agency may not obligate funds for an infrastructure project unless all iron, steel, manufactured products, and construction materials used in the project are produced in the United States.² Domestic content requirements promote U.S. manufacturing and products to support American industries and strengthen national security.³

The historic level of IIJA funding, rising construction prices, supply chain challenges, and domestic content requirements amplify the importance of the processes and procedures for FHWA's oversight of compliance with Buy America requirements. We are therefore initiating this audit. Our audit objective will be to assess FHWA's processes and procedures for overseeing grant recipient compliance with Federal Buy America requirements.

We plan to begin the audit in the coming weeks and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FHWA

¹ Pub. L. No. 117-58 (2021).

² FHWA can waive the application of this requirement in certain limited circumstances. See 23 U.S.C. § 313(b); 23 C.F.R. § 635.410(c).

³ Office of Management and Budget, Memorandum M-22-11, *Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure*, April 18, 2022, and Pub. L. No. 117-58 § 70911 (2021).

Headquarters and other sites determined during the audit. If you have any questions, please contact me or Darren Murphy, Program Director.

cc: DOT Audit Liaison, M-1
FHWA Audit Liaison, HCFB-32