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## ARRA STATEMENT of COMPLIANCE

REVISED: 03.25.2010

STEEL, BRASS, PLASTIC, STAINLESS AND ALUMINUM PIPE NIPPLES  
MALLEABLE IRON, BRONZE, MERCHANT STEEL AND COPPER PIPE FITTINGS

Section 1605 of The American Recovery and Reinvestment Act (ARRA) sets forth the clear expectation that “all the iron, steel, and manufactured goods” \* used in an ARRA-funded project will be “produced in the United States.”

These requirements have been interpreted by the Office of Management & Budget (OMB) and the Environmental Protection Agency (EPA). Those interpretations can be found on their respective web sites. Based on that information and documentation, our products, being listed as Domestically Manufactured, are produced in the United States and are compliant with the provisions set forth in Section 1605 of the ARRA.

Should a situation arise regarding the manufacture of our products using products originating outside of the United States, the EPA has also provided clarification through their “Substantial Transformation Test” \*\* guidelines, a series of questions that must be answered in order to determine whether or not a product can be claimed as being domestically produced. Information regarding this 'test' can also be found on the EPA or ARRA web sites.

The Edmund A. Gray Company confirms that, with the required (positive) responses to the questions listed in the EPA's “Substantial Transformation Test”, that our products are, indeed, domestically manufactured, even with regard to the use of raw materials which may have originated outside of the United States.

**\* Definition of Manufactured Good (-OMB Guidance [§176.140, 176.70(a)(2)(II)])**

- “A good brought to the construction site for incorporation into the building or work that has been processed into a specific form and shape, or combined with other raw material to create a material that has different properties than the properties of the individual raw materials”
- “There is no requirement with regard to the origin of components or subcomponents in manufactured goods used in the project, as long as the manufacturing occurs in the United States.”

**\*\* Substantial Transformation Applied to Definition of Manufactured Good (-OMB Guidance 2 CFR §176.140)**

• This definition incorporates the “substantial transformation test” which has been long applied in judicial and administrative customs cases on labeling, national origin, and other Federal statutory requirements as the appropriate and effective test to identify where a good was “manufactured”. While a variety of statutory and judicial criteria have been formulated to determine, always on a case-by-case basis, whether or not “substantial transformation” has occurred, the questions represent a distillation of the functional analyses common to the different versions of the “substantial transformation test.”

In applying the “substantial transformation” test within the ARRA Buy American provision (Section 1605), the objective is to determine whether or not a product is U.S.-produced when the product is created by processes in more than one country and/or incorporates materials, parts, or components from more than one country. More particularly, the test is intended to identify that whether manufacturing or processing operations that took place in the U.S. amounted to “substantial transformation” which would enable the product to be properly considered as U.S.-manufactured.

**“ IF IT'S A PIPE NIPPLE . . . . WE HAVE IT ”**