

October 10, 2024

**Comments re: Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Manufacturing Extension Partnership Management Information Reporting**

**OMB Control Number 0693-0032**

Fahe writes respectfully in response to the National Institute of Standards and Technology's (NIST's) Comment Request, "Manufacturing Extension Partnership Management Information Reporting", and thanks the agency for the opportunity to comment. This submission will address Request for Comment (c): "Evaluate ways to enhance the quality, utility, and clarity of the information to be collected."

Fahe is a Network of 50+ nonprofit organizations building thriving communities in Appalachia. Since 1980, Fahe has invested over \$1.32B, generating \$1.69B in finance. Channeled through our Members and community partners, this investment has directly changed the lives of 778,114 people in some of the hardest-to-reach places in Appalachia. We are active users of a wide range of federal housing programs, including many in the US Department of Housing and Urban Development (HUD), like the HOME Investment Partnerships Program, Community Development Block Grants, and the Self-Help Opportunity Program. Our Members use these funding streams to develop new housing and undertake repairs of existing housing throughout our service area. In some places in our region where it is impossible to make a profit as a private-sector developer, our nonprofit developer Members are the only entities undertaking building and repair work. Except for one-off, custom projects for high-income clients who bring in construction firms from nearby cities, no new private housing has been constructed in these communities since the Great Recession.

In recent years, it has become much more difficult for our Members to undertake and administer their essential work. Stagnant program budgets combined with persistent inflation mean that dollars for building and for administering programs don't stretch as far, and our Members must make difficult decisions every day about how to allocate limited resources. At the same time, a barrage of new and strengthened regulations and program requirements have increased the administrative and compliance burden of carrying out programs to an unsustainable level.

HUD's implementation of Build America, Buy America (BABA) will make delivering HUD funding incredibly difficult in our communities. Despite guidance to the contrary from both the Office of Management and Budget and BABA's original legislative text, which

does not include private residences in its definition of public infrastructure projects, HUD has determined that housing is “infrastructure” for the purposes of BABA, and that any new HUD-funded projects that involve the development or repair of residential buildings will have to comply with the Buy America Preference (BAP) if their total cost is above \$250,000. This is increasingly the case in our region given post-pandemic inflation and construction labor force shortages in some communities.

Implementing BABA will be challenging and time consuming for our Members because of the sheer number of manufactured products and construction materials that go into building homes and apartment buildings. Most of our Members get their building materials from their local hardware store or the closest branch of a larger home improvement retailer, but these shops often have very little information on which of their products are BABA-compliant and which are not. As a result, the administrative burden of checking and documenting compliance will be placed on our Members, who must already contend with an exceedingly large volume of time-consuming and expensive documentation in the course of their work providing housing to low-income families.

It is worth noting that BABA requirements will not apply to private developers, as they do not use federal programs. As a result, if compliance is not made easier, BABA will exacerbate existing inequalities in Appalachia, both between high- and low-income families and between private and nonprofit housing developers. Compliance with the BAP, if possible, will increase development costs for low-income housing at a time when affordability is more of a concern than ever. Additionally, increased administrative hassle will continue to disincentivize the participation of the few private subcontractors in our region in federally subsidized work, especially given that the Appalachian construction workforce still has not recovered the jobs lost in the 2008 financial crisis.

HUD's implementation guidance indicates that NIST's Manufacturing Extension Partnership (MEP) has been charged with supplier scouting for recipients of federal financial assistance who must comply with BABA. Given the anticipated increase in the number of supplier scouting requests that NIST MEP is likely to receive as a result of HUD's BABA implementation, and the untold administrative burden of compliance on nonprofit affordable housing developers, **it is Fahe's view that the utility of the proposed information to be collected would be enhanced by making the information on NIST MEP state office clients, strategic plans, and operation plans available to the public, or at least to recipients of federal financial assistance.**

Fahe supports doing more to bolster domestic manufacturing, and our Members would like to be able to implement BABA efficiently and effectively. The rural Appalachian communities we serve deeply understand the economic pain of lost jobs and businesses that results from buying products outside of our local communities and underinvesting in our local economies. Our neighbors and our region will benefit from the increased focus on domestic production and manufacturing that BABA will create.

However, the current lack of information on compliant suppliers and products will make implementing BABA for housing programs nearly impossible in our service area, especially for nonprofit developers. Without additional guidance, the new requirements could make building and repair projects grind to a halt, forestalling the benefits to our region that BABA would bring. Building on Request for Comment (c), **Fahe believes that the best use of NIST MEP's information would be the creation of a list of BABA-compliant manufacturers and products that could be made available to the public or at least to recipients of federal financial assistance.** Such a list would contribute to effective BABA implementation and enable our Members to continue their essential work of providing housing to communities throughout Appalachia.

Fahe thanks NIST for its leadership in the effort to bolster domestic manufacturing and enable effective BABA compliance. The NIST MEP will be a critical tool for our Members as they continue to undertake affordable housing and community/economic development projects in Appalachia. We stand ready to assist in whatever way we can in our shared mission to better serve our communities.