



## Congress should reject 'Buy American' protectionism

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In the waning days of the 114th Congress, a bad idea is rearing its ugly head once again: A so-called "Buy American" provision in the Water Infrastructure Improvements Act for the Nation, a bill aimed at improving the nation's water infrastructure.

Specifically, WIIN would require water infrastructure projects funded in 2017 by the Drinking Water State Revolving Fund (a state-federal partnership to ensure safe drinking water) to only use American-made iron and steel. Originally, the bill would have permanently barred the use of imported iron and steel from being used in projects funded by DWSRF. Thankfully, House Republicans rejected making the protectionist measure permanent, instead favoring a one-year Buy American requirement.

The abbreviated requirement is still bad policy for a number of reasons. For starters, it will unnecessarily raise costs of projects funded through the DWSRF. As Dan Pearson of the libertarian Cato Institute **noted**, "Steel import restrictions have made the United States a high-priced island in an ocean of low-priced steel." WIIN would further exacerbate this problem.

Next, Buy American provisions damage United States credibility as a beacon of open markets. Such protectionist measures invite possible retaliation from our trading partners, which could disadvantage domestic industries seeking to export their goods into foreign markets.

Finally, these measures are nothing more than crony capitalist giveaways created by well-connected lobbyists for the iron and steel industries.

Regrettably, these misguided provisions are nothing new. In 2009, the so-called "stimulus" bill required the use of American-made steel for projects it funded. This drew understandable outrage from Canada.

Likewise, the 2017 Defense Department Appropriations Act contained **two** **provisions** requiring the use of domestic-made products: One for energy sources for heating a defense base in Germany, and the other effectively requiring new military recruits to buy New Balance running shoes, which are produced domestically.

Thankfully, we dodged the former requirement. But military recruits will be forced to purchase New Balance running shoes, rather than having numerous options like Nike, Asics, or others.

WIIN has passed the House of Representatives, but there's still a chance for the Senate to strip the provision entirely. Given the specter of a heavy dose of protectionism in the next administration, free-traders in Congress should stand up for taxpayers and reject this Buy American provision.