Appendix A

S.C. Code Ann. §11-35-5350

(A) As used in this section:

(1) "Head of the public procurement unit" means the individual with ultimate responsibility for the administration and operations of the state or local public procurement unit, as applicable.

(2) "Iron or steel product" means any product made primarily of iron or steel including, but not limited to, lined or unlined pipes and fittings; bars and rods; wire, wire ropes, and link chains; forgings; grating and drainage products; access covers, hatches, manhole covers, and other castings; hydrants; electric transmission and distribution poles; tanks; flanges; pipe clamps and restraints; valves; structural steel and other steel mill products; materials made primarily of iron and steel within precast concrete; and other construction materials made primarily of iron or steel.

(3) "Made primarily of iron or steel" means composed primarily of greater than fifty percent iron or steel measured by component cost, volume, or weight.

(4) "Manufacturing process" means the application of a process to alter the form or function of materials or elements of a product in a manner that adds value and transforms the materials or elements into a new finished product functionally different from a finished product produced merely from assembling materials or elements into a product without applying such a process.

(5) "Produced in the United States" means that, with respect to iron and steel, all manufacturing processes, from initial melting through application of coatings, occur in the United States, other than metallurgical processes to refine steel additives.

(6) "Public entity" means the State, or any political subdivision of the State, including a school district or agency, department, institution, or other public entity of them.

(7) "Public works project" subject to the requirements of this section and notwithstanding the provisions of Section 11-35-710(A)(1) to the contrary, means an activity paid for with any state-appropriated funds or state funds administered by a public entity which consists of the construction, maintenance, renovation, remodeling, or improvement of a building, road, street, sewer, storm drain, water system, site development, irrigation system, reclamation project, gas or electrical distribution system, gas or electrical substation, or other facility, project, or portion owned in whole or in part by any public entity. For purposes of this section, repairs undertaken in response to an emergent situation affecting public health, safety, or property are excluded from this definition.

(B)(1) Except as provided otherwise in this section, a public entity entering into a contract for a public works project or for the purchase of materials for a public works project must include in

the contract a requirement that any iron or steel product permanently incorporated in the project be produced in the United States.

(2) Item (1) does not apply if the head of the public procurement unit of the public entity administering the funds for a public works project or the purchase of materials for a public works project solely determines that any of the following applies:

(a) Iron or steel products produced in the United States are not produced in sufficient quantities, reasonably available, or of satisfactory quality.

(b) The use of iron or steel products produced in the United States will increase the total cost of the project by more than twenty-five percent.

(c) Complying with item (1) is inconsistent with the public interest.

(3) Notwithstanding item (1), the following exceptions shall apply:

(a) When steel and iron materials are used in a public works project, item (1) does not prevent a minimal use of foreign steel and iron materials if:

(i) such materials are incidental or ancillary to the primary product and are not separately identified in the project specifications; and

(ii) the cost of such materials does not exceed one-tenth of one percent of the project's total steel and iron costs or two thousand five hundred dollars, whichever is greater. For purposes of this subitem, the cost of such materials is shown to be the value of the iron or steel products as they are delivered to the project; and

(b) the foreign steel and iron material is a component or are components comprising five percent or less of the materials cost of an otherwise domestically produced steel or iron product.

(4) Electrical components, equipment, systems, and appurtenances, including supports, covers, shielding, and other appurtenances related to an electrical system, necessary for operation or concealment, except transmission and distribution poles, are not considered iron or steel products and are exempt from the requirements of item (1).

(C) This section must be applied in a manner consistent with, and may not be construed to impair, the state's obligations under any international agreement.

(D) The State Fiscal Accountability Authority shall develop guidelines and procedures by rule to implement this section. The rules must be implemented consistent with federal policies implementing the American iron and steel preference law applied to the "Safe Drinking Water Act," pursuant to 42 U.S.C. 300j-12(a)(4)(C).

(E) This section does not apply to contracts procured by the Department of Transportation subject to the Buy America requirements of 23 C.F.R. 635.410.

(F) As used in this section, any state appropriated funds or state funds administered by a public entity shall not include bonds administered or awarded by the South Carolina Housing Finance and Development Authority or state tax credits.