

ARRA Act of 2009

Danfoss Flomatic Corporation

Position Statement of concerning the ‘Buy American’ Provision of the American Recovery and Reinvestment Act (ARRA) of 2009

The American Recovery and Reinvestment Act of 2009 (‘ARRA’) injects billions of dollars into the United States’ economy through government contracts, grants, and awards. Federal and state government agencies are primed to invest in numerous infra-structures, energy, water and other construction projects.

Section 1605 of the ARRA establishes a ‘Buy American’ requirement for federal, state, and local government projects funded with ARRA stimulus money. With limited exceptions, all iron, steel and manufactured goods used in these projects must be produced in the United States.

Danfoss Flomatic Corporation is proud to offer Water, Wastewater and Plumbing Valve Products that are manufactured in the United States and comply with the ‘Buy American’ provision of the ARRA. Specific product line certifications are available upon request.

In addition, Danfoss Flomatic Corporation offers various non-domestic products that may be used in ARRA-funded projects under certain conditions, as described below:

First, the Buy American requirements do not apply to iron, steel, and manufactured goods produced in certain countries that have entered into trade agreements with the United States, where the value of the contract exceeds \$7,443,000 and where the type of product is not specifically excluded from the application of those agreements. Danfoss Flomatic Corporation offers Water and Wastewater Valve Products that are produced in other countries and that may comply with the ARRA under these circumstances. Because different international agreements apply to different agencies and states, review the details of the solicitation to see which countries’ manufactured goods may qualify.

Additionally, for ARRA-funded water infrastructure programs under the Environmental Protection Agency’s (EPA’s) Clean or Drinking Water State Revolving Fund (SRF), the EPA has issued a national waiver of the Buy American requirements for *de minimis* incidental components. This waiver permits the use of non-domestic components when they constitute 5% or less of the cost of all the iron, steel, and manufactured goods used and incorporated in a project.

Danfoss Flomatic Corporation Water Service Products would be considered incidental components for most water infrastructure projects, and would qualify for the national *de minimis* waiver if they, along with any other non-domestic material, contribute 5% or less of the cost of the iron, steel, and manufactured goods for a project.

Depending on the entity offering the contract or award, other provisions allowing non-domestic goods may also apply. Consult the specific provisions in the solicitation to determine whether iron, steel and manufactured non-domestic goods are permissible.

Danfoss Flomatic Corporation.

Note: For more information of the American Recovery and Reinvestment Act (ARRA) of 2009 that passed in Congress on February 13, 2009, Congress visit: http://www.recovery.gov/About/Pages/The_Act.aspx