



Infrastructure Lighting Under BABA: New Standards, New Opportunities

Helping you succeed with Build America, Buy America (BABA) compliance for government-funded projects.

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Executive Summary

The Build America, Buy America Act (BABA) redefines the infrastructure lighting industry. Mandating US-based production for iron, steel, construction materials, and 55% domestic content for manufactured products, BABA sets a new bar for compliance. As a decision-maker in infrastructure projects, this translates to both rigorous demands and unprecedented opportunities.


Your ability to navigate these requirements can position you as a trusted leader in the \$1.2 trillion infrastructure market¹. This whitepaper offers actionable strategies to help you overcome compliance challenges, avoid risks, and seize the opportunities that come with meeting BABA standards. Whether you're a contractor, project manager, or procurement specialist, this is your chance to lead with confidence and ensure project success.

¹What Is Build America, Buy America


Compliance: Your Strategic Opportunity

Unlike its predecessor, the Buy American Act (BAA), BABA takes a broader and more stringent approach to domestic preferences in federally funded projects. Enacted in November 2021 as part of the Infrastructure Investment and Jobs Act (IIJA), BABA applies to all iron, steel, construction materials, and manufactured products used in public infrastructure projects. This includes roads, bridges, broadband systems, electrical grids, and public buildings.

Recent updates have further expanded BABA’s reach and enforcement:





The Federal Highway Administration (FHWA) rescinded the longstanding Buy America waiver for manufactured products in January 2025. Starting October 1, 2025, all manufactured products must undergo final assembly in the US, and by October 1, 2026, these products must meet a 55% domestic component threshold².



The Department of Housing and Urban Development (HUD) ended its phased implementation waiver in August 2024. BABA now comprehensively applies to purchases of iron, steel, construction materials, and manufactured products using federal financial assistance from HUD’s Office of Public and Indian Housing³ (NAHRO).

These changes highlight the increased rigor in compliance requirements, underscoring the importance of proactive planning and US-based sourcing.

Key Distinctions Between BABA and BAA

Aspect	Buy American Act (BAA) 	Build America, Buy America Act (BABA) 
Scope	Direct federal procurement	Federally funded financial assistance for infrastructure
Exemptions	Allows Commercially Available Off-the-Shelf (COTS) waivers	Eliminates COTS exemptions
Domestic Content	55% domestic content threshold	55% threshold, increasing to 75% by 2029, with stricter enforcement
Oversight	Moderate enforcement	Enhanced documentation and regular audits

²Edison Report, “Understanding Build America Buy America: Implications for the Lighting Industry”
³NAHRO, “Build America, Buy America Act Updates”

Lighting, recognized as a “manufactured product” under BABA, places a critical emphasis on compliance through two primary requirements: **(1) ensuring that at least 55% of the total component costs are derived from domestically sourced materials** and **(2) guaranteeing that final assembly is conducted within the US**. This dual focus not only meets regulatory expectations but positions your projects for eligibility and success in federally funded initiatives.

Both regulations enforce the 55% domestic content threshold for manufactured products, but BABA eliminates the COTS exemption entirely, significantly tightening compliance standards. Manufacturers who previously relied on COTS to meet BAA requirements must now ensure that all components comply with BABA’s stricter domestic content and sourcing rules. Products exempt under the COTS provision of BAA are disqualified from use in federally funded BABA projects unless they meet the full domestic content threshold and are assembled in the US.

Under BABA, waivers are granted to manufacturers only in exceptional circumstances and must meet one of these strict criteria:



Public interest

The applying organization must conclusively demonstrate that BABA requirements would be inconsistent with public interest



Non-availability

There must be clear evidence that materials are not produced in sufficient quantity or quality within the US



Unreasonable cost

Documentation must show that using domestic materials would increase the overall project cost by more than 25%

Your Market Advantage

Adhering to BABA standards is your gateway to leadership in federally funded projects. By mastering these requirements, you strengthen supplier relationships, elevate product quality, and build trust in the market, positioning yourself as a forward-thinking partner who consistently delivers.

Imagine leading a municipal lighting upgrade project and ensuring every component meets BABA standards. Your proactive approach not only avoids costly project delays but also solidifies your reputation as a trusted and knowledgeable partner. By demonstrating foresight and compliance expertise, you can turn potential hurdles into stepping stones for success.

How to Simplify Your Compliance Journey

1



Ensure supply chain traceability

Develop a transparent supply chain to track materials from sourcing to final assembly. Prioritize US-based suppliers to build trust and ensure compliance.

2



Master documentation requirements

Simplify your reporting processes by maintaining clear, detailed records for audits and compliance checks. Invest in systems that help you stay organized and prepared.

3



Stay informed and empowered

Equip your team with the knowledge they need to succeed. Regular training and staying updated on regulatory changes will keep you ahead of the curve.

4



Understand waivers and their limitations

While waivers are available for rare situations, they often involve lengthy approval processes and strict documentation. Focus instead on sourcing compliant materials to avoid delays and reliance on waivers.

5



Collaborate with a trusted partner

Work with an experienced partner like Phoenix Lighting to navigate BABA requirements seamlessly. With extensive expertise and a proven US-based supply chain, a partner like Phoenix can help you identify compliant products, simplify documentation, and ensure your projects meet all necessary standards.

Avoid the Risks of Non-Compliance

When it comes to BABA compliance, the stakes couldn't be higher. Even a single oversight can ripple into costly consequences that jeopardize your projects and credibility. Proactively addressing compliance ensures your projects stay on track and helps you build trust in a highly competitive industry.

Here's what's at risk if standards aren't met:



Financial penalties

Federal fines, repayment requirements, and additional costs for replacing non-compliant materials.



Project disqualification and delays

Project halts and timeline disruptions due to non-compliant material identification and replacement.



Legal and regulatory consequences

Contract breaches leading to litigation and potential debarment from future federal projects.



Reputational damage

Loss of stakeholder trust and negative publicity affecting brand value and market position.



Audit and inspection failures:

Increased oversight and administrative burden from heightened scrutiny and investigations.



Missed market opportunities:

Reduced market share through ineligibility for federal contracts and competitive disadvantage.



Take the Lead in Compliance with Phoenix Lighting

We’re here to support you every step of the way. With over 50 years of experience, Phoenix Lighting has delivered reliable, high-performance, American-made lighting solutions for US government projects. We offer many products that are made in the US, which meet all Buy American Act (BAA), Trade Agreement Act (TAA), and Build America, Buy America (BABA) requirements.

With Phoenix Lighting, you gain:

	Guaranteed compliance	Our products meet BABA standards, ensuring eligibility for federally funded infrastructure projects.
	Access to federal projects	Participate in a wide range of government-funded initiatives.
	Simplified documentation	Comprehensive compliance documentation simplifies audits and reporting processes.
	High-quality products	Durable lighting solutions designed to perform reliably in harsh environments.
	Support for domestic manufacturing	Strengthen US manufacturing by partnering with a company committed to domestic production with a strong domestic supply chain.

Our deep understanding of government requirements and our longstanding status as a US manufacturer position Phoenix as an ideal partner for contractors and distributors involved in government-funded projects.

Are you ready to ensure BABA compliance and project success?

Contact our team of experts today to discuss your specific needs and discover how Phoenix Lighting can illuminate your path to full BABA compliance.



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