



Inflation & Market Condition Update

November 1, 2022



Materials



- Summary Points from AGC's 2022 Buy America Materials Survey:
 - 93% reported –
 - long lead times are impacting the entire construction industry
 - material procurement issues are getting worse
 - most believe meeting the new Buy America requirements will be difficult
 - 75% domestic content went into effect October 25, 2022
- NTIA has requested a waiver on Middle Mile Grant Program

Final Rule Strengthens Buy American Act Requirements for US Government Contractors and Their Supply Chains

in Act Requirements for US Government Contractors and Their...

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On March 4, 2022, President Biden announced "the biggest change in the Buy American Act ["BAA"] in 70 years,"¹ which includes gradually raising the domestic content threshold between now and 2029 from 55 percent to 75 percent in order for a product to be considered made in America and other changes outlined below. To this end, the Federal Acquisition Regulatory Council ("the FAR Council") has published a final rule that amends the Federal Acquisition Regulation ("FAR") and implements President Biden's January 25, 2022, Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers.² [The final rule's effective date is October 25, 2022,](#) which allows time for government contractors to plan for the BAA changes and make adjustments to their supply chains.³

Key Takeaway:

- *May increase cost to awardees*
- *May cause delays in the performance period*



Materials

Y/Y, Sept 2021 to 2022



☆ Producer Price Index by Industry: Fiber Optic Cable Manufacturing (PCU335921335921)

DOWNLOAD

Observation:
Sep 2022: 89.296 (+ more)
Updated: Oct 12, 2022

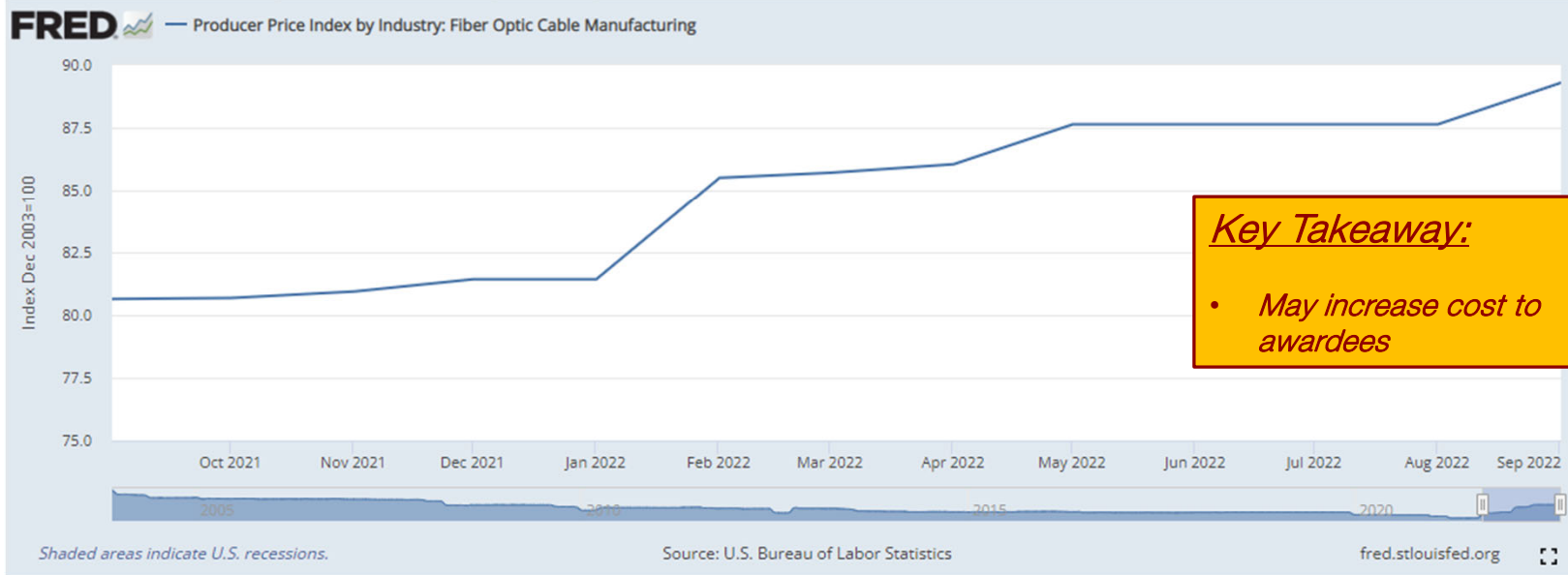
Units:
Index Dec 2003=100,
Not Seasonally Adjusted

Frequency:
Monthly

1Y | 5Y | 10Y | Max

2021-09-01 to 2022-09-01

EDIT GRAPH



Key Takeaway:

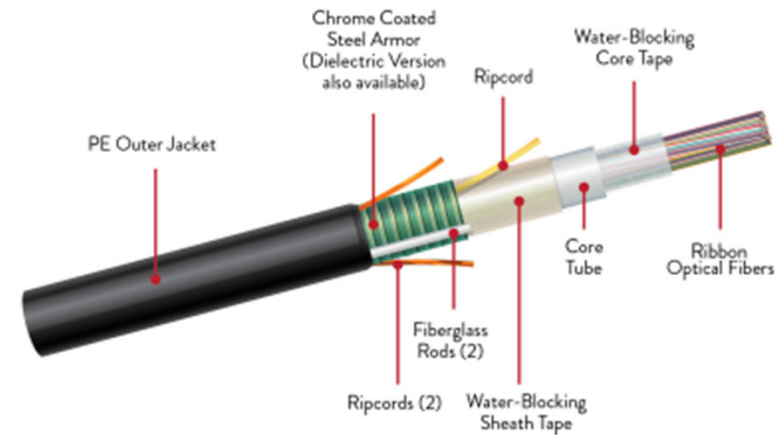
- *May increase cost to awardees*

Supply Chain

“Strategies to Mitigate Bottlenecks”, Fiber Broadband Association 2022



Mapping the FTTx Supply Chain



Supply Chain

as of Summer 2022



Supply Chain - Lead Times

FIBER OPTIC CABLE 52-60 WEEK LEAD TIME	FIBER CABINETS & SPLITTERS 10-20 WEEK LEAD TIME	FIBER MULTIPOINT TERMINALS 20-35 WEEK LEAD TIME
CONDUIT 15-20 WEEK LEAD TIME	HAND HOLES 22-26 WEEK LEAD TIME	HOME EQUIPMENT 3-6 MONTH LEAD TIME

Key Takeaway:

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Labor



- **Summary Points from AGC 2022 Workforce Survey Analysis:**

- 93% reported having difficulty filling craft work force
 - 21 different craft positions surveyed
- 71% reported openings for salaried positions
 - Engineers and project managers had most openings
- 77% reported that available candidates are not qualified
- 66% reported project delays due to labor shortages

Key Takeaways:

- *Salaries and benefits packages are increasing to attract workers*
- *Employees shifting companies and firms accordingly*
- *Increasing emphasis on training and workforce development programs*



Other Key Components:



- [ARPA 602 SLFRF](#)
 - December 31, 2024 obligation deadline
 - December 31, 2026 expenditure deadline
- [ARPA 604 CPF](#)
 - December 31, 2026 expenditure deadline
- [Guides & Resources](#)
 - [Treasury 602 SLFRF](#)
 - [Treasury 602 CPF](#)

