



7706 N. 71st Ave., Glendale, AZ 85303 Tel: (623) 979-3560 Fax: (623) 979-2177

July 8, 2009

Subject: "Buy American" Provision of the American Recovery and Reinvestment Act (ARRA) of 2009

National Pump Customers,

Please be advised that National Pump Company is in compliance with the new provisions of the BUY AMERICAN Act in the ARRA (Statutory Requirements Summary [Title XVI, Section 1605]) – which was effective April 3, 2009.

The BUY AMERICAN ACT contains the following requirements (Pub. L. No. 111-5) and said Act published OMB Guidance (2 CFR Part 176, Appendix 9):

"None of the funds appropriated or otherwise available by the Recovery Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless (1) the public building or public work is located in the United States; and (2) All of the iron and steel, and manufactured goods used in the project are produced or manufactured in the United States.

- (i) Production in the United States of the iron and steel used in the project requires that all manufacturing processes must take place in the United States, except metallurgical processes involving refinement of steel additives. These requirements DO NOT apply to iron and steel used as components or subcomponents of manufactured goods used in the project.
- (ii) There is no requirement with regard to the origin of the components or subcomponents in manufactured goods used in the project, as long as the manufacturing occurs in the United States."

The only area that represents non compliance issues are vertical high thrust motors that do not ship assembled on vertical turbine or propeller pumps. Both GE and USEM, the only NEMA vertical thrust motor manufacturers, build almost all our Vertical Hollow and Solid Shaft Motors:

- On 40 HP Motors and below, they are built outside the US and do not comply with ARRA without a waiver.
- All 40 HP and above "Modified" NEMA vertical motors meet ARRA requirements
- All 100 HP and above Standard or Modified vertical Thrust NEMA style motors meet ARRA requirements.

Attached please find a recent letter from Mr. Rich Heppe, President of USEM providing their interpretation of compliance on their motors.

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Page 2

To insure compliance on any Federally Funded Project under the American Recovery and Reinvestment Act of 2009, we request that the following procedures be followed:

- (1) When specifying a project, please send all project documents to Pat McNulty, Customer Service Manager, National Pump, Glendale, AZ for review - Tel: (623) 979-3560 ext. 203 Fax: (623) 979-2177. Pat will complete the paperwork and bid documents and return same to you.
- (2) When an order is secured, please clearly note that this is a ARRA project, and forward it to Pat McNulty for order processing.

Should guidelines under ARRA change, National Pump will communicate these at our earliest convenience to you.

Should you have any questions please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Kochamba', followed by a period.

Ken Kochamba
National Sales and Marketing Manager