

**Department of Commerce
Economic Development Administration**

**Proposed Nonavailability Waiver for a Thermal Modification Unit for the Composite
Recycling Technology Center Project**

1. Summary

Agency: Department of Commerce (DOC)

Proposed Waiver: DOC's Economic Development Administration (EDA) is proposing a nonavailability waiver of the requirements of section 70914 of the Build America, Buy America Act (BABA) included in the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58) for a Thermal Modification Unit (TMU) used in the Composite Recycling Technology Center (CRTC) Project in Washington State. DOC finds under IJIA 70914 and 2 CFR 184.7 that the required TMU is not produced in the United States.

Applicability: This proposed waiver action permits the use of a non-domestic TMU in the CRTC Project in Neah Bay, Washington funded under an EDA federal assistance award.

Waiver type: Nonavailability of a BABA-compliant domestic product. The TMU does not fall under the *Department of Commerce Department-wide Public Interest Waivers for De Minimis Infrastructure Project Purchases, Small Grants, and Minor Components within Iron and Steel Products*.

Waiver level: Project-specific waiver for one award.

Summary of items covered in the waiver: Thermal Modification Unit (manufactured product).

Waiver justification summary: Despite the robust and wide public solicitation and direct outreach to all well-known industry TMU manufacturers, no US-based manufactures of TMUs were found.

Length of the waiver: This waiver shall be effective upon approval and will remain in effect until completion of the project – estimated to be March 14, 2027.

2. Background

The Buy America Preference set forth in section 70914 of the Build America, Buy America Act included in the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58), requires all iron, steel, manufactured products, and construction materials used for infrastructure projects under Federal financial assistance awards be produced in the United States.

Under section 70914(b), DOC may waive the application of the Buy America Preference, in any case in which it finds that: applying the domestic content procurement preference would be inconsistent with the public interest; types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than

25%. All waivers must have a written explanation for the proposed determination; provide a period of not less than 15 days for public comment on the waiver; and submit the waiver to the Office of Management and Budget Made in America Office for review to determine if the waiver is consistent with policy.

Thermal Modification Unit: CRTC requested a nonavailability product specific waiver for a TMU. The TMU bakes wood at a high temperature, but without the presence of oxygen. The lack of oxygen prevents any flames from forming in the chamber. This process dries the wood in a very controlled way and collapses the cell walls so that the wood no longer absorbs moisture. It makes the wood very stable and gives pressure-treated wood performance without the use of chemicals. The thermally modified wood is then used in a cross laminated timber (CLT) press to make CLT building panels.

CRTC requested this non-availability waiver because only one TMU manufacturer, non-U.S. based, bid on their solicitation with an acceptable product, despite robust efforts in advertising and direct outreach to all well-known industry manufacturers of TMUs. DOC therefore proposes a nonavailability waiver to allow the recipient to purchase the TMU from a non-domestic source, for as defined in Section 70914(b)(2) of BABA, this type of manufactured product is not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality needed for the infrastructure project.

3. Description of Award

Title of project: The Composite Recycling Technology Center (CRTC) Project

Infrastructure project description and location: CRTC is working with the Makah Tribe in Neah Bay, WA, to use the coastal western hemlock that they grow, and turn it into CLT building panels that will make affordable homes. Because Neah Bay gets about 100 inches of rain a year, the trees grow very fast, but the wood is extremely wet. When it dries, it tends to warp, crack and twist, often making it undesirable as a building material. The TMU bakes the wood at a high temperature, but without the presence of oxygen. The lack of oxygen prevents any flames from forming in the chamber. This process dries the wood in a very controlled way and collapses the cell walls so that the wood no longer wants to absorb moisture. It makes the wood very stable and gives pressure-treated wood performance without the use of chemicals. The thermally modified wood is then used in a CLT press to make CLT building panels. This will allow CRTC to expand its Advanced Cross Laminated Timber (ACLT) production, leveraging technology to support the re-emergence of the peninsula's sustainable timber industry. Expanded capacity will help generate good jobs in manufacturing and produce versatile, affordable products for the home construction industry. CRTC will hire and train 44 additional employees over five years. This investment is anticipated to create 64 direct, 28 indirect, and 12 induced jobs by 2030.

Recipient Name: Composite Recycling Technology Center (CRTC)

Unique Entry Identifier (UEI): H9UXN8QRDQU3

Federal Financial Assistance Program: Distressed Area Recompete Pilot Program Phase 2

Federal Financial Assistance Funding Amount: \$1,194,484

Total Infrastructure Project Amount: \$1,194,484

Estimated Cost of items being waived: \$914,010.

4. Description of Covered Items

Manufactured product: TMUs are specialized kilns that bake wood at a high temperature, but without the presence of oxygen. The lack of oxygen prevents any flames from forming in the chamber. This process dries the wood in a very controlled way and collapses the cell walls so that the wood no longer absorbs moisture. It makes the wood very stable and gives pressure-treated wood performance without the use of chemicals

5. Waiver Justification Summary

Anticipated impact if no waiver is issued: The Project consists largely of the installation of the TMU. The technology used in the required TMU is not currently manufactured in the United States and therefore, absent a waiver, the Project cannot continue.

CRTC's technological advances in ACLT are a foundation that can support a re-emergence of the Peninsula's sustainable timber industry. By expanding the CRTC's capabilities to manufacture ACLT panels for affordable housing, the Federal funding will generate employment not only in manufacturing, but also in construction, maintenance, real estate, timber milling, and other supporting trades connected with the implementation of affordable housing. If the waiver for the TMU is denied, then the Project is not sustainable and CRTC will not be able to continue to build affordable housing for the Makah or any other Tribe.

All the testing and code approval work has been done with thermally modified wood. The entire Project is based on the usage of thermally modified wood due to the distinct advantages it offers over non-modified wood. Absent the waiver, the projected job growth would reduce from 64 direct, 28 indirect, and 12 induced jobs to zero jobs by 2030.

Description of efforts made to identify domestic products: In June of 2025, CRTC conducted a substantial effort to ensure the solicitation for the TMU was made available to as wide a range of qualified manufactures as possible. The following bullets detail the outreach effort:

- CRTC conducted a wide and robust public solicitation process. CRTC reached out to nine companies to request quotes for TMUs via phone and email.
- All nine companies have distributors in the United States but sell TMUs manufactured in Europe.
 - Luxhammar Products – Finland
 - Carolina Machinery Sales – Italy
 - Jartek – Finland
 - Forwood – China
 - WTT Wood Treatment Technology – Denmark
 - Baschild Drying Technologies - Mahild Drying Technologies – Italy
 - SII Dry Kilns - North Carolina distributor for Maspell – Italy
 - Grenzebach – Germany
 - Lumbermen Online – Italy
- Only the Maspell unit, from Narni, Italy met the required specifications for the Project. None of the other units met the necessary specifications for this Project.

Despite the robust solicitation and direct outreach to all well-known U.S. industry TMU distributors, only one bid, non-U.S. based, was received for a product compatible with the Project. The solicitation and direct outreach efforts illustrate that there was no known U.S. manufacturer of TMUs.

6. Assessment of Cost Advantage of a Foreign-Sourced Product

Under OMB M–24–02, agencies are expected to assess “whether a significant portion of any cost advantage of a foreign-sourced product is the result of the use of dumped steel, iron, or manufactured products or the use of injuriously subsidized steel, iron, or manufactured products” as appropriate before granting a public interest waiver. EDA’s analysis has concluded that this assessment is not applicable to this waiver as this waiver is not based on the cost of foreign-sourced products.

7. Solicitation for Comments

As required under section 70914 of the IIJA, EDA is soliciting comments from the public on this proposed waiver. This notice will be open for 15 days and closed for comments on March 17, 2026.

Comments can be sent to mthompson@eda.gov with “TMU Waiver” in the subject line of the email. Comments received prior to the public comment closing date will be reviewed and considered by EDA.

For more information on the Build America, Buy America preference, please reference DOC’s Build America, Buy America [website](#) or [MadeinAmerica.gov](https://www.madeinamerica.gov).