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As you have probably heard by now, the Federal Government, through the American Recovery and Reinvestment Act (ARRA) of 2009, is beginning to release money for various "shovel ready" projects. One of the stipulations for receiving project funding through ARRA is a "Buy American" requirement.

After an extensive review of the language in the Act, in addition to a review of interpretations by appropriate governing bodies, we are proud to tell you that all U.S. Motors® brand and Emerson® brand motors manufactured in our Mena, Arkansas facility comply with the "Buy American" requirement. This includes all vertical motors 100 HP and above. In addition, modified production Vertical Holloshaft and Vertical Solid Shaft motors 40 HP and above meet the requirement since the modifications will be done in Mena—**No waivers required!**

When you are presented an opportunity for quotation or sale with the use of ARRA funds, you are able to specify these Emerson motors with confidence, knowing that they meet this requirement.

For motors included as a component in manufactured goods, the manufactured goods are considered produced in the US when it results from processing into a specific form and shape or combined with other raw material to create a material that has different properties than the properties of the individual raw materials. There is no requirement with regard to the origin of components or subcomponents in manufactured goods used in the project, as long as the manufacture of the goods occurs in the United States.

Based on the most recent guidance from the US Office of Management and Budget in April 2009 and from the EPA in October 2009, **ALL** U.S. Motors® brand and Emerson® brand motors may be included as a component in a manufactured good (**such as a Pump assembly**) without affecting compliance with ARRA if substantial transformation of the manufactured good occurs at your plant in the United States or at the project site in the United states under certain circumstances.

Regards,

A handwritten signature in black ink, appearing to read "Mike McDonald".

Michael F. McDonald

