

Buy American (BAA) or Buy America

This factsheet provides an understanding of Made in America Laws including the difference between “Buy American” and “Buy America”

[Executive Order 14005](#) (the Executive Order), *Ensuring the Future Is Made in All of America By All of America’s Workers*, makes it the United States Government’s policy to use terms and conditions of Federal financial assistance awards and Federal procurements to maximize use of goods, products, and materials produced in, and services offered in, the United States. The Federal Government will work to, whenever possible *and consistent with applicable law*, procure and support through financial assistance goods, products, materials, and services from sources that will help American domestic businesses compete in strategic industries and help America’s workers thrive.

The Executive Order is part of a larger overall policy effort intended to promote domestic production in critical industries, make supply chains more resilient, and address supply chain vulnerabilities, including those exposed by the COVID-19 pandemic.

The Made in America Office is driving this effort to support America’s manufacturing companies and workers through better implementation and enforcement of Made in America Laws. Made in America Laws include two main domestic content preference types for goods: Buy American Act requirements for Government procurement and Buy America requirements for Federal financial assistance. These domestic preferences have similar sounding names, but are different in important ways. This fact sheet provides an overview of the basic differences between the two preference types. Stakeholders seeking to supply the U.S. Government or its assistance recipients should inquire directly with the agency or recipient in question for further information.

Buy American Act Requirements for Government Procurement

“Buy American” is the phrase used to describe domestic content preferences generally applied to direct Federal procurement—that is, the goods that the U.S. Government buys for its own use. The [Buy American Act](#) (BAA) (41 U.S.C. §§ 8301–8305) is the primary law addressing domestic content preferences in Federal procurement. It provides a preference for the purchase of domestic supplies (or domestic end products) and domestic construction materials. The implementing regulations for the BAA in the [Federal Acquisition Regulation](#) (FAR) provide a two-part test for determining if an end product (that does not consist wholly or predominantly of iron or steel or a combination of both) qualifies as a domestic end product: (i) the end product must be manufactured in the U.S.; and (ii) effective October 25, 2022 more than 60 percent of the cost of its components must be mined, produced, or manufactured in the U.S.¹ The domestic content threshold increased to 60 percent on October 25, 2022, further increases to 65 percent in calendar year 2024, and 75 percent in calendar year 2029. In the event no domestic products can meet the new thresholds or the cost to acquire them would be unreasonable, there is a 55 percent fallback threshold in effect from October 25, 2022 through December 31, 2029. For end products consisting wholly or predominantly of iron or steel or a combination of both, the cost of domestic components must be 95 percent to qualify as a domestic end product.² The FAR provides similar standards for domestic construction materials.³

Buy America Requirements for Federal Financial Assistance

“Buy America” is the phrase used to describe domestic preferences generally applied to awards made with Federal financial assistance. There is no single “Buy America” statute. Rather, there are a number of statutes that require certain Federal agencies providing Federal financial assistance to apply domestic content procurement preferences for goods, products, and materials made in the U.S. [The Infrastructure Investment and Jobs Act \(IIJA\)](#), also known as the Bipartisan Infrastructure Law (BIL), enacted on November 15, 2021, includes the Build America, Buy America Act, which expands Buy America requirements government-wide to Federal financial assistance programs for infrastructure.

¹ See 48 CFR 25.003; see also Amendments to the FAR Buy American Act Requirements, 87 FR 12780 (Mar. 7, 2022), effective Oct. 25, 2022.

² See 48 CFR 25.003.

³ See 48 CFR 25.003; 87 FR 12780 (Mar. 7, 2022); and FAR subpart 25.2.