

FACT SHEET:
President Biden to Sign Executive Order Strengthening Buy American Provisions, Ensuring Future of America is Made in America by All of America's Workers

Biden-Harris Administration Commits to Investing in American Workers and Companies

Today, while many American businesses are on the brink of having to close their doors because of the crises that our country faces, President Biden will sign an Executive Order to support manufacturers, businesses, and workers to ensure that our future is made in all of America by all of America's workers.

With this order, President Biden is ensuring that when the federal government spends taxpayer dollars they are spent on American made goods by American workers and with American-made component parts. This Executive Order fulfills President Biden's promise to make Buy American real and close loopholes that allow companies to offshore production and jobs while still qualifying for domestic preferences.

President Biden's executive action will ensure that the federal government is investing taxpayer dollars in American businesses—both small and large. These investments will help create well-paid, union jobs, and build our economy back better so that everybody has a fair shot at the middle class. They will buy from all of America—including minority entrepreneurs and businesses in every region in our country. And, they will support the manufacturing capabilities and technology needed to build a clean energy future and strengthen our national security, and give our workers and companies the tools they need to compete globally for decades to come.

This executive action is a part of the President's broader commitment to increase investments in manufacturing industries and workers in order to Build Back Better. The President is committed to working on a bipartisan basis to advance this work, including with members of Congress who have been leaders on Buy American and Buy America for years.

MADE IN AMERICA EXECUTIVE ORDER

The dollars the federal government spends on goods and services are a powerful tool to support American workers and manufacturers. Contracting alone accounts for nearly \$600 billion in federal spending. Federal law requires government agencies to give preferences to American firms, however, these preferences have not always been implemented consistently or effectively. And, some of these requirements, which shape how the government preferences domestic goods and services in what it buys, have not been substantially updated since 1954, during the Eisenhower Administration. It is long

overdue that the U.S. government utilizes the full force of current domestic preferences to support America's workers and businesses, strengthening our economy, workers, and communities across the country.

The President is taking action to reset the U.S. government's longstanding approach to domestic preferences to create an approach that will remain durable for years to come and grow quality, union jobs. The President's Executive Order establishes the goals and standards necessary to use federal purchasing, and other forms of federal assistance with domestic preference requirements, as a way to proactively invest in American industry so it can continue to lead in the global marketplace.

For purposes of this fact sheet and the Executive Order, "Made-in-America" refers to domestic preferences related to federal procurement, federal grants, and other forms of federal assistance. Buy American and Buy America refers to the specific statutes that go by those names.

This Order directs a process for updating domestic preferences to fit the current realities of the American economy. The Executive Order:

- **Directs agencies to close current loopholes in how domestic content is measured and increase domestic content requirements.** Existing Buy American rules establish a domestic content threshold – the amount of a product that must be made in the U.S. for a purchase to qualify under Buy American law. This Executive Order directs an increase in both the threshold and the price preferences for domestic goods – the difference in price over which government can buy a product from a non-US supplier. It also updates how government decides if a product was sufficiently made in America, building a stronger foundation for the enforcement of Buy American laws.
- **Appoints a new senior leader in the Executive Office of the President in charge of the government's Made-in-America policy approach.** A bold approach to Made-in-America requires leadership and accountability. The new Director of Made-in-America at the Office of Management and Budget (OMB) will oversee the implementation of this Executive Order, make sure the President's new rules are followed, work with key stakeholders, and carry through the President's vision in conjunction with their executive agency partners.
- **Increases oversight of potential waivers to domestic preference laws.** This order creates a central review of agency waivers of Buy American requirements, fulfilling the President's commitment to crack down on unnecessary waivers. It also directs the General Services Administration to publish relevant waivers on a publicly available website.
- **Connects new businesses to contracting opportunities by requiring active use of supplier scouting by agencies.** This Executive Order directs agencies to utilize the Manufacturing Extension Partnership -- a national network in all 50 states and Puerto Rico, that supports small and medium-size

- manufacturers -- to help agencies connect with new domestic suppliers who can make the products they need while employing America's workers.
- **Reiterates the President's strong support for the Jones Act.** The President will continue to be a strong advocate for the Jones Act and its mandate that only U.S.-flag vessels carry cargo between U.S. ports, which supports American production and America's workers. With the signing of the 2021 National Defense Authorization Act, the Jones Act has also been affirmed as an opportunity to invest in America's workers as we build offshore renewable energy, in line with the President's goals to build our clean energy future here in America.
 - **Directs a cross-agency review of all domestic preferences.** The order requires agencies to report on their implementation of current Made in America laws and make recommendations for achieving the President's Made in America goals, and to continue to do so on a bi-annual basis. This review includes a requirement that agencies submit recommendations for ways to ensure items offered to the general public on federal property are Made in America --- to the fullest extent possible—and to consider service industries in addition to manufacturing.

Supporting America's Workers through Federal Purchasing

This order is deeply intertwined with the President's commitment to invest in American manufacturing, including clean energy and critical supply chains, grow good-paying, union jobs, and advance racial equity. The federal government should buy from suppliers that are growing the sectors of the future and treating their workers with dignity and respect. The President remains committed to working with partners and allies to modernize international trade rules—including those related to government procurement--to make sure all countries can use their taxpayer dollars to spur investment in their own countries.

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