

# Buy American Act

The Buy American Act is a major domestic preference statute governing procurement by the federal government. The Buy American Act applies to direct purchases by the federal government of more than \$3,000, providing their purchase is consistent with the public interest, the items are reasonable in cost, and they are for use in the United States. The act requires that “substantially all” of the acquisition be attributable to American-Made components. Regulations have interpreted this requirement to mean that at least 51% of the cost must be attributable to American content.

## Federal Government Procurement:

- Examples include military bases, government buildings, etc.

## Buy American Act 51% Rule waived in favor of Trade Agreement Act 1979

- Allows NAFTA & WTO/GPA
- Distressed Nations