

Report on Supply Chain Compliance Volume 2, Number 8. May 02, 2019 Trump administration calls for enforcement of 'Buy American' regulations

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In January 2019, U.S. President Donald Trump issued an executive order, “Strengthening Buy-American Preferences for Infrastructure Projects,” that placed a greater emphasis on federal agencies to enforce “Buy American” regulations, and also made a small but significant change to the types of contracts covered by the many regulations that govern federal procurement.

In the order, President Trump substitutes “Federal financial assistance” for “Federal grants,” an amendment to the 2017 Executive Order 13788, and calls upon the heads of federal agencies to “encourage recipients of new Federal financial assistance awards pursuant to a covered program to use, to the greatest extent practicable, iron and aluminum as well as steel, cement, and other manufactured products produced in the United States in every contract, subcontract, purchase order, or sub-award that is chargeable against such Federal financial assistance award.” The new designation, “Federal financial assistance,” broadens the scope of Buy American regulations. The order also requires the heads of each agency to provide the President with a report describing how they can promote “Buy American” policies.

According to [an article by David Yang](#), partner at Oles Morrison Rinker & Baker LLP, the order has, “significant, potential implications for the contractor community because prior to the Executive Order the Buy American Act only applied in cases of federal procurements directly issued by the government. With the new Executive Order, however, the Buy American Act now potentially applies to any project that receives financial assistance from the federal government even if the project is not a procurement that was solicited by the federal government.”

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