

# Buy American vs. Build America, Buy America | NPCA

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The Build America, Buy America (BABA) Act was signed into law as part of the Infrastructure Investment and Jobs Act (IIJA) in November 2021. BABA requires the head of each covered federal agency to ensure that “none of the funds made available for a Federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.”

BABA has a direct influence on the manufactured precast concrete industry, which supplies critical infrastructure structures across the United States. NPCA members need to understand the different product classifications, potential impacts and risks to compliance, the waiver process and how BABA compliments the Buy American (BA) Act to stay compliant and competitive.

This is the third of a four-part series outlining BABA and what it means to precasters. This article covers explains the difference between BABA and BA.

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[Buy American sometimes is confused with Build America, Buy America.](#) But there are distinct differences. See Part 1 for an overview of Build America, Buy America.

The Buy American Act was signed into law in 1933 and applies to direct federal procurement. It provides a preference for the purchase of domestic end products and domestic construction materials.

The president has the authority to waive Buy American within terms of a reciprocal agreement. For example, President Carter in 1979 waived the requirements for the U.S.-Israel Free Trade Agreement and President Clinton in 1996 did the same for the Agreement on Government Procurement.

There are two requirements to qualify as a domestic end product:

- The end product is manufactured in the United States.
- More than 60% of the cost of components must be mined, produced or manufactured in the United States.

In 2024, the threshold will increase to 65%, then to 75% in 2029. If the product is classified as wholly or predominantly iron or steel, the cost of domestic components must be 95%.

According to the Made in America Office, The Buy American Act generally is applied to direct federal procurement – that is, the goods that the U.S. government buys for its own use.

In contrast, [Build America, Buy America Act generally applies](#) to awards made with federal financial assistance.

While the contract specifications will have the applicable acts and requirements outlined, precast concrete producers can quickly determine if either Buy American or BABA may apply to a project

by knowing the source of funding, how it is issued and the how it will ultimately be used.

If neither is specifically identified as requirements for a fully or partially federally funded project, ask the project administration.

For more information on this topic, NPCA members can call (800) 366-7731.

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