

Made-in-America Initiative: How We Can Make Buying American Products a Priority

We look at how the new executive order instructing procurement agents to "buy American" can help promote American manufacturing during a challenging time.

AUSTIN, TEXAS, UNITED STATES, February 15, 2021 /EINPresswire.com/ -- On January 25, President Biden issued "The Executive Order on Ensuring the Future Is Made in All of America by All of America's Workers."



Formaspace manufactures all its products at our 60,000 sq ft production facility in Austin, Texas, using raw materials sourced from American suppliers. We are truly a 100% American manufacturer.

The basic premise of the executive order is that Federal and Federally-funded contracts should purchase American-made products.

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It's in our national interest to demand transparency during every step of the sales cycle so that consumers can see the details of American content when making purchasing decisions.”

Formaspace

But wait, you might ask, isn't this already the law?

- The answer is a qualified yes, as there are already three laws on the books that mandate federal procurement agents purchase American-made products:
- The first is the Buy American Act of 1933, which was signed by President Hoover on his last day in office.
- The second is the 1982 Buy America Act (a provision of the larger Surface Transportation Assistance Act), which stipulates that purchases for road, rail, or rapid transit

projects valued over US\$100,000 are American-bought.

The third is the American Recovery and Reinvestment Act of 2009, aka "the stimulus package" created in response to the Great Recession, whose funding stipulates all iron, steel, and other manufactured goods purchased must be produced in the United States. (This was later amended to allow Canadian goods, after a row with the Canadian government over NAFTA rules.)

The Devil Is In The Details: Interpreting Federal Procurement Regulations

So what difference will the new executive order make?

The answer turns on the ability of the executive branch to interpret the existing laws.

To this end, Biden is establishing a new Made in America office within the Office of Management and Budget (OMB), which in turn, will liaise with leaders in each of the Federal departments.

Collectively, they will be tasked with coming up with ways to strengthen the provisions of the Buy American Act of 1933, the 1982 Buy America Act, etc., and issue bi-annual recommendations.

For example, the Buy American Act of 1933 allows for procurement officers to apply for waivers that allow them to bypass the requirement to buy American-made products if, for example, the product is not available domestically, or if it's 25% more expensive or, rather vaguely, if "doing so is in the public's interest."

In announcing his executive order, President Biden said he wants to tighten the waiver process to make it harder for federal agencies to buy foreign goods.

In this order, he is also mandating greater transparency in the procurement process, and specifically, requiring that any waivers, when issued, be published on a publicly accessible website so that American businesses (and citizens) can see where the Federal government is



To provide additional ventilator capacity for Covid-19 patients in ICU wards, Formaspace delivered 500 workbenches in just 18 days to the new General Motors ventilator factory in Kokomo, Indiana.

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Formaspace built these custom battery storage units here in the US for Marine Helicopter Squadron One, the Marine Corps unit responsible for helicopter transportation of the President and Vice President of the United States.

spending money on foreign products.

Transparency Is The Most Powerful Trade Tool According To The Author Of What If Things Were Made In America Again

It's this latter point of making the information public that got us thinking about the 2017 book What if Things Were Made in American Again.

The author, James A. Stuber, outlines the history of US trade from the Revolutionary War days to the present, with a particular emphasis on what Stuber calls the great "hollowing out" of the American manufacturing economy during the 2000s.

Stuber argues that, in the long run, transparency may be a more powerful remedy for trade imbalances than, for example, enforcing trade agreements with the World Trade Organization, where mounting a legal challenge is not only too expensive for most American manufacturing companies – and also too slow to be effective. (Stuber points out new cases can only be mounted AFTER the domestic has suffered damages.)

Stuber's Seven Reasons Why WTO Challenges Are Not Effective In Righting Trade Wrongs

1. Relief is not until after harm has already been done.
2. It is difficult to know where the harm is coming from.
3. It is necessary to provide the foreign manufacturer's actual cost of production.
4. It is necessary to define the affected industry and to obtain the participation of 51% of it.
5. There will be much opposition from importers, retailers, etc.
6. The entire process is extremely expensive and time-consuming.
7. The remedy is never sufficient.

Instead, Stuber says it's far more effective to promote American-made products to consumers; it's in our national interest to demand transparency during every step of the sales cycle so that consumers can see the details of American content (including US labor) when making purchasing decisions.



Formaspace manufactured the laboratory casework for the Federal government's Food Analysis and Diagnostic Laboratory (FADL) at Ft. Sam Houston in San Antonio, Texas, one of the largest laboratories of its kind in the world.

But it's a lot easier said than done.

Who Determines What Is Made-In-America?

Around the world, consumers generally prefer [products made locally](#), a purchasing behavior known as "nationality bias."

Savvy marketers take advantage of this powerful preference, using "place-based branding" (also known as "made-in image.") Just think of French Champagne, which is only legally produced in the terroir of the Champagne region of France. Sparkling wine made in California or cava from Spain doesn't sound nearly as good (or expensive).

Trade negotiators know the value of "country of origin labeling" (COOL), and it's often the sticking point in intense trade negotiations between countries, where complex "rules of origin" formulas can determine if a product is, for example, "Made in America" or not.

Here in the US, the primary oversight of the COOL rules happens to be divided between multiple agencies (a confusing practice that, in our view, the new Biden "Made in America" department would be well advised to reconsider...).

Broadly speaking, the U.S. Customs and Border Protection (CBP) agency is responsible for the labeling of foreign imports, overseeing the ubiquitous labels Made in Germany, Made in China, etc.

On the other hand, the Federal Trade Commission (FTC) has oversight over Made in America labeling for some categories of domestic products, as well as adjudicating misleading marketing and advertising claims about where products are manufactured.

But as we'll see in a moment, sometimes other agencies have oversight over what is "Made in America," as well as how much content and what types of processes (performed in what order) allow products to earn that designation.

Spoiler Alert: Trade relationships are complicated.

Buying An American Made Car Should Be Easy, Right? But It Isn't.

Keeping with the Made-in-America theme, President Biden said in a recent speech that "the federal government also owns an enormous fleet of vehicles, which we're going to replace with clean electric vehicles made right here in America made by American workers."

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