



Frequently Asked Questions *Buy American Act (ARRA) & Made in USA Statements*

What is the Buy American Act?

Under section 1605 of the ARRA, no funds appropriated by the Act may be used for a public buildings/works project unless “all manufactured goods used...are produced in the U.S.”

What are the conditions of the Buy American Act?

The Buy American Act restricts the purchase of supplies that are not domestic for use in the manufacturing of end products, the Buy American Act uses a two-part test to define a domestic end product.

1. The article must be manufactured in the United States; and
2. The cost of domestic components must exceed 50 percent of the cost of all the components used in the assembly.

Do Carmanah products meet the conditions of the Buy American Act?

Yes. Carmanah products are manufactured in the United States and its domestic components exceed 50 percent of the cost of all its components.

Carmanah Technologies products meet the requirements of the Buy American Act; Section 1605 of the American Recovery Reinvestment Act (ARRA).

Are there any exceptions to the Buy American Act?

Yes. Exceptions are allowed for the following cases:

1. Where the head of the federal agency concerned determines adherence would be “inconsistent with the public interest”
2. Where iron/steel/manufactures are not produced in the U.S. in sufficient and available quantities
3. Inclusion of U.S. products would increase overall project cost by 25 percent

Where can I find more information about the Buy American Act?

You can click on the following links to view more information on the Buy American Act

www.arnet.gov/far/current/html/Subpart%2025_2.html

www.recovery.gov

Is the Buy American Act the same as “Made in the USA”?

No. They are two different claims. “Made in the USA” claims are governed by the Federal Trade Commission (FTC).

What is the standard for a product to make an unqualified claim of “Made in the USA”?

For a product to claim “Made in USA”, or of domestic origin without qualifications or limits on the claim, the product must be all or virtually all made in the U.S.

What do they mean by ‘all’ or ‘virtually all’ of the product must be made in the U.S.?

‘All’ or ‘virtually all’ means that all significant parts and processing that go into the product must be of U.S. origin. That is, the product should contain no or negligible foreign content.

If Carmanah products are manufactured in the U.S. why doesn’t it meet the unqualified “Made in the USA” statement?

While Carmanah products are manufactured domestically and use a majority of components that are of U.S. origin, by necessity; it does use a minimal number of parts that are either packaged or produced in foreign countries.

Carmanah products do meet the qualified statement “Made in the USA of U.S. and imported parts.”

Where can I find more information about the “Made in the USA” statement?

For more information please visit www.ftc.gov/os/statutes/usajump.shtm

Who should I contact for more information?

For more information please contact your order management representative at Carmanah Technologies.