

**Federal Acquisition Regulation
Federal Acquisition Circular 2022-05 Summary of Rules
FAC 2022-05**

| <u>Item</u> | <u>Subject</u> | <u>FAR Case</u> |
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| I | Amendments to the FAR Buy American Act Requirements | 2021-008 |

Item I— Amendments to the FAR Buy American Act Requirements (FAR Case 2021-008)

This final rule amends the Federal Acquisition Regulation (FAR) to implement section 8 of E.O. 14005, Ensuring the Future Is Made in All of America by All of America’s Workers. Upon the October 25, 2022, effective date, this final FAR rule changes the domestic content threshold to 60 percent immediately, then to 65 percent for items delivered starting in calendar year 2024, and then to 75 percent for items delivered starting in calendar year 2029. While a supplier that is awarded a contract with a period of performance that spans this schedule of domestic content threshold increases will be required to comply with each increased threshold for the items in the year of delivery, this rule allows for the agency senior procurement executive to apply an alternate domestic content test under which the contractor would be required to comply with the domestic content threshold in place at time of award for the entire life of the contract.

This final rule also creates a fallback threshold that would allow for products and construction material meeting a 55 percent domestic content threshold to qualify as “domestic” under certain circumstances.

In addition, the final rule creates a framework for application of an enhanced price preference for a domestic product/domestic construction material that is considered a critical item or made up of critical components. The list of critical items and critical components, along with the associated enhanced price preference, will be incorporated in the FAR through separate rulemaking.