

SECTION 1. As used in this order, (a) the term “materials” includes articles and supplies, (b) the term “executive agency” includes executive department, independent establishment, and other instrumentality of the executive branch of the Government, and (c) the term “bid or offered price of materials of foreign origin” means the bid or offered price of such materials delivered at the place specified in the invitation to bid including applicable duty and all costs incurred after arrival in the United States.

SEC. 2. (a) For the purposes of this order materials shall be considered to be of foreign origin if the cost of the foreign products used in such materials constitutes fifty per centum or more of the cost of all the products used in such materials.

(b) For the purposes of the said act of March 3, 1933 [probably means act Mar. 3, 1933, ch. 212, title III, 47 Stat. 1520, see 41 U.S.C. 8301 et seq.], and the other laws referred to in the first paragraph of the preamble of this order, the bid or offered price of materials of domestic origin shall be deemed to be unreasonable, or the purchase of such materials shall be deemed to be inconsistent with the public interest, if the bid or offered price thereof exceeds the sum of the bid or offered price of like materials of foreign origin and a differential computed as provided in subsection (c) of this section.

(c) The executive agency concerned shall in each instance determine the amount of the differential referred to in subsection (b) of this section on the basis of one of the following-described formulas, subject to the terms thereof:

(1) The sum determined by computing six per centum of the bid or offered price of materials of foreign origin.

(2) The sum determined by computing ten per centum of the bid or offered price of materials of foreign origin exclusive of applicable duty and all costs incurred after arrival in the United States: provided that when the bid or offered price of materials of foreign origin amounts to less than \$25,000, the sum shall be determined by computing ten per centum of such price exclusive only of applicable duty.

SEC. 3. Nothing in this order shall affect the authority or responsibility of an executive agency:

(a) To reject any bid or offer for reasons of the national interest not described or referred to in this order; or

(b) To place a fair proportion of the total purchases with small business concerns in accordance with section 302(b) of the Federal Property and Administrative Services Act of 1949, as amended [former 41 U.S.C. 252(b)] [now 41 U.S.C. 3104], [former] section 2(b) of the Armed Services Procurement Act of 1947, as amended, and [former] section 202 of the Small Business Act of 1953; or

(c) To reject a bid or offer to furnish material of foreign origin in any situation in which the domestic supplier offering the lowest price for furnishing the desired materials undertakes to produce substantially all of such materials in areas of substantial unemployment, as determined by the Secretary of Labor in accordance with such appropriate regulations as he may establish and during such period as the President may determine that it is in the national interest to provide to such areas preference in the award of Government contracts: *Provided*, that nothing in this section shall prevent the rejection of a bid or offered price which is excessive; or

(d) To reject any bid or offer for materials of foreign origin if such rejection is necessary to protect essential national-security interests after receiving advice with respect thereto from the President or from the Director [now Administrator] of the Federal Emergency Management Agency. In providing this advice the Director [Administrator] shall be governed by the principle that exceptions under this section shall be made only upon a clear showing that the payment of a greater differential than the procedures of this section generally prescribe is justified by consideration of national security.

SEC. 4. The head of each executive agency shall issue such regulations as may be necessary to insure that

procurement practices under his jurisdiction conform to the provisions of this order.

SEC. 5. This order shall apply only to contracts entered into after the date hereof. In any case in which the head of an executive agency proposing to purchase domestic materials determines that a greater differential than that provided in this order between the cost of such materials of domestic origin and materials of foreign origin is not unreasonable or that the purchase of materials of domestic origin is not inconsistent with the public interest, this order shall not apply. A written report of the facts of each case in which such a determination is made shall be submitted to the President through the Director of the Office of Management and Budget by the official making the determination within 30 days thereafter.

#### § 8304. Waiver rescission

(a) TYPE OF AGREEMENT.—An agreement referred to in subsection (b) is a reciprocal defense procurement memorandum of understanding between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived this chapter for certain products in that country.

(b) DETERMINATION BY SECRETARY OF DEFENSE.—If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country that is party to an agreement described in subsection (a) has violated the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary’s blanket waiver of this chapter with respect to those types of products produced in that country.

(Pub. L. 111–350, § 3, Jan. 4, 2011, 124 Stat. 3833.)

#### HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
8304(a) .....	41:10b–2(a)(2), (b).	Pub. L. 103–160, div. A, title VIII, §849(c), (d), Nov. 30, 1993, 107 Stat. 1725.
8304(b) .....	41:10b–2(a)(1).	

In subsection (a), the text of 41:10b–2(b) is omitted as unnecessary.

#### SIMILAR PROVISIONS

Provisions similar to those in this section and section 8305 of this title were contained in the following acts:

Pub. L. 114–113, div. C, title VIII, §8028, Dec. 18, 2015, 129 Stat. 2357.

Pub. L. 113–235, div. C, title VIII, §8028, Dec. 16, 2014, 128 Stat. 2258.

Pub. L. 113–76, div. C, title VIII, §8027, Jan. 17, 2014, 128 Stat. 110.

Pub. L. 113–6, div. C, title VIII, §8027, Mar. 26, 2013, 127 Stat. 302.

Pub. L. 112–74, div. A, title VIII, §8027, Dec. 23, 2011, 125 Stat. 811.

Pub. L. 112–10, div. A, title VIII, §8028, Apr. 15, 2011, 125 Stat. 63.

Pub. L. 111–118, div. A, title VIII, §8030, Dec. 19, 2009, 123 Stat. 3435.

Pub. L. 110–329, div. C, title VIII, §8030, Sept. 30, 2008, 122 Stat. 3627.

Pub. L. 110–116, div. A, title VIII, §8029, Nov. 13, 2007, 121 Stat. 1321.

Pub. L. 109–289, div. A, title VIII, §8027, Sept. 29, 2006, 120 Stat. 1279.

Pub. L. 109–148, div. A, title VIII, §8030, Dec. 30, 2005, 119 Stat. 2705.

Pub. L. 108-287, title VIII, §8032, Aug. 5, 2004, 118 Stat. 977.  
 Pub. L. 108-87, title VIII, §8033, Sept. 30, 2003, 117 Stat. 1079.  
 Pub. L. 107-248, title VIII, §8033, Oct. 23, 2002, 116 Stat. 1544.  
 Pub. L. 107-117, div. A, title VIII, §8036, Jan. 10, 2002, 115 Stat. 2255.  
 Pub. L. 106-259, title VIII, §8036, Aug. 9, 2000, 114 Stat. 682.  
 Pub. L. 106-79, title VIII, §8038, Oct. 25, 1999, 113 Stat. 1239.  
 Pub. L. 105-262, title VIII, §8038, Oct. 17, 1998, 112 Stat. 2305.  
 Pub. L. 105-56, title VIII, §8040, Oct. 8, 1997, 111 Stat. 1229.  
 Pub. L. 104-208, div. A, title I, §101(b) [title VIII, §8042], Sept. 30, 1996, 110 Stat. 3009-71, 3009-97.  
 Pub. L. 104-61, title VIII, §8051, Dec. 1, 1995, 109 Stat. 662.  
 Pub. L. 103-335, title VIII, §8058, Sept. 30, 1994, 108 Stat. 2631.  
 Pub. L. 103-139, title VIII, §8069, Nov. 11, 1993, 107 Stat. 1455.  
 Pub. L. 102-396, title IX, §9096, Oct. 6, 1992, 106 Stat. 1924, as amended by Pub. L. 103-355, title VII, §7206(b), Oct. 13, 1994, 108 Stat. 3382.  
 Pub. L. 102-190, div. A, title VIII, §833, Dec. 5, 1991, 105 Stat. 1447.  
 Pub. L. 102-172, title VIII, §8123, Nov. 26, 1991, 105 Stat. 1205.  
 Pub. L. 101-189, div. A, title VIII, §823, Nov. 29, 1989, 103 Stat. 1504.

**§ 8305. Annual report**

Not later than 60 days after the end of each fiscal year, the Secretary of Defense shall submit to Congress a report on the amount of purchases by the Department of Defense from foreign entities in that fiscal year. The report shall separately indicate the dollar value of items for which this chapter was waived pursuant to—

- (1) a reciprocal defense procurement memorandum of understanding described in section 8304(a) of this title;
- (2) the Trade Agreements Act of 1979 (19 U.S.C. 2501 et seq.); or
- (3) an international agreement to which the United States is a party.

(Pub. L. 111-350, §3, Jan. 4, 2011, 124 Stat. 3833.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
8305 .....	41:10b-3.	Pub. L. 104-201, div. A, title VIII, §827, Sept. 23, 1996, 110 Stat. 2611; Pub. L. 105-85, div. A, title VIII, §846, Nov. 18, 1997, 111 Stat. 1845; Pub. L. 105-261, div. A, title VIII, §812, Oct. 17, 1998, 112 Stat. 2086.

**CHAPTER 85—COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED**

Sec. 8501.	Definitions.
8502.	Committee for Purchase From People Who Are Blind or Severely Disabled.
8503.	Duties and powers of the Committee.
8504.	Procurement requirements for the Federal Government.
8505.	Audit.
8506.	Authorization of appropriations.

**§ 8501. Definitions**

In this chapter:

(1) **BLIND.**—The term “blind” refers to an individual or class of individuals whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses or whose visual acuity, if better than 20/200, is accompanied by a limit to the field of vision in the better eye to such a degree that its widest diameter subtends an angle of no greater than 20 degrees.

(2) **COMMITTEE.**—The term “Committee” means the Committee for Purchase From People Who Are Blind or Severely Disabled established under section 8502 of this title.

(3) **DIRECT LABOR.**—The term “direct labor”—

(A) includes all work required for preparation, processing, and packing of a product, or work directly relating to the performance of a service; but

(B) does not include supervision, administration, inspection, or shipping.

(4) **ENTITY OF THE FEDERAL GOVERNMENT AND FEDERAL GOVERNMENT.**—The terms “entity of the Federal Government” and “Federal Government” include an entity of the legislative or judicial branch, a military department or executive agency (as defined in sections 102 and 105 of title 5, respectively), the United States Postal Service, and a nonappropriated fund instrumentality under the jurisdiction of the Armed Forces.

(5) **OTHER SEVERELY DISABLED.**—The term “other severely disabled” means an individual or class of individuals under a physical or mental disability, other than blindness, which (according to criteria established by the Committee after consultation with appropriate entities of the Federal Government and taking into account the views of non-Federal Government entities representing the disabled) constitutes a substantial handicap to employment and is of a nature that prevents the individual from currently engaging in normal competitive employment.

(6) **QUALIFIED NONPROFIT AGENCY FOR OTHER SEVERELY DISABLED.**—The term “qualified nonprofit agency for other severely disabled” means an agency—

(A)(i) organized under the laws of the United States or a State;

(ii) operated in the interest of severely disabled individuals who are not blind; and

(iii) of which no part of the net income of the agency inures to the benefit of a shareholder or other individual;

(B) that complies with any applicable occupational health and safety standard prescribed by the Secretary of Labor; and

(C) that in the production of products and in the provision of services (whether or not the products or services are procured under this chapter) during the fiscal year employs blind or other severely disabled individuals for at least 75 percent of the hours of direct labor required for the production or provision of the products or services.

(7) **QUALIFIED NONPROFIT AGENCY FOR THE BLIND.**—The term “qualified nonprofit agency for the blind” means an agency—

(A)(i) organized under the laws of the United States or a State;