

The Washington Times

BuyAmerican.gov Act gets little enthusiasm in federal bureaucracy

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April 29, 2018

It's hard enough for consumers to find the "Made in the USA" label in a market saturated with foreign goods.

Turns out the government has the same problem.

Despite laws dating back to the Depression and periodic prodding from presidents and Congress, federal agencies can't seem to wean themselves from foreign-made goods, including Border Patrol uniforms made in Mexico and \$5 billion in annual defense spending that the Pentagon can't square with various "Buy American" rules.

Working against the rules are exceptions, loopholes, waivers and free trade deals that prohibit the U.S. government from limiting agreements with trading partners. Those deals have carved out exemptions for more than 125 countries.

Congress says it's finally had enough.

Tucked inside the massive spending bill passed last month were instructions to the administration to look into creating a website, BuyAmerican.gov, to track waivers and violations.

It comes on the heels of a 2017 executive order in which President Trump reinforced the "Buy American" requirement within the executive branch, and a bipartisan push in the Senate to do the same with government purchases and on infrastructure projects.

"We must do everything we can to protect and maximize American jobs, and that starts with ensuring that our tax dollars aren't used to create jobs overseas," said Sen. Rob Portman, Ohio Republican. "Unfortunately, in the last five years alone, U.S. federal agencies have spent \$47.7 billion on goods manufactured by foreign firms."

He and his Buckeye colleague, Sen. Sherrod Brown, a Democrat, co-sponsored the BuyAmerican.gov Act in January. The act would order a semiannual report from the Cabinet on who is succeeding and who is failing to buy domestic.

It's not clear how seriously the bureaucracy is taking this push.

Agencies approached by The Washington Times were either unable or unwilling to describe what steps they are taking to stay in compliance with the president's demands.

Even the White House budget office, which along with the General Services Administration was tasked with the website effort, wouldn't comment on its efforts.

Mr. Portman and Mr. Brown said the Defense Department alone since 2007 had "spent almost \$200 billion on manufactured goods made by foreign companies." But most of that appears to be valid under waivers and exemptions. The department's Acquisition, Technology and Logistics branch told Congress in June that just \$5.65 billion of foreign entity purchases could not be squared with the laws.

"Taxpayer dollars should support American-made products, and our federal agencies should lead the way in promoting U.S. jobs and products," Mr. Brown said.

Not everyone is convinced that restrictive purchasing policies are best for taxpayers. "Buy American" may cushion some businesses from competition, but it also warps international trade and proves expensive, many economists say.

"It's really a double whammy for free-marketers like myself," said Daniel J. Ikenson, a trade analyst at the Cato Institute. "We know that when you spend your own money you most likely go to a Home Depot rather than the local hardware store, and the same should be true with government. It guarantees taxpayers don't get the biggest bang for their buck.

Mr. Ikenson acknowledged that, to the extent they help the government more closely track spending and abide by the law, the congressional moves and executive orders are good ideas. But the concept itself — the underlying requirement of "Buy American" — should be jettisoned, he said.

That squares with the elite opinion that has been regnant for years. In a study on the issue by the Bush School of Government and Public Service at Texas A&M University, scholars urged lawmakers to find ways to circumvent the requirements, albeit to move slyly lest they anger constituencies that do benefit from "Buy American" trade restrictions.

Yet Mr. Trump was elected in 2016 in part because of his rejection of such settled elite thinking and an insistence that trade pacts had been bad deals for the U.S. In a Rose Garden ceremony this month, he beat the "Buy American" drum again.

"We're also defending the American worker," Trump said. "We're taking NAFTA, one of the worst deals ever made in the history of trade, and we are redoing it. And it will be a fair deal for the Americans. We lost thousands of factories and millions of jobs because of NAFTA — thousands."

Federal agencies used to put a lot of thought into the issue.

In earlier decades, the Government Accountability Office was regularly called upon to review agencies' behavior, such as the Army Corps of Engineers' sand purchases and the Library of Congress' outsourcing of digitization work to Jamaica and the Philippines.

But the pace of that work appears to have slowed in recent years.

Companies say the market is big for those that do claim their products are completely or mostly “Made in the USA.”

“Our business is definitely on the uptick,” said Glen Brumer, sales director for Royal Apparel, which is based on Long Island, New York. “In the past five years, our business has tripled. Plants that we used to have open three days a week are now running five days a week, sometimes with double shifts, and the parking lot at headquarters, which used to be maybe half-full, is now full every day.”

Mr. Brumer acknowledged that some of Royal Apparel’s thread may be of foreign origin, but he said the company buys as much American material as possible and that all manufacturing is stateside. For the clothing industry, which has relied on cheap Asian or Latin American labor, that is something of an anomaly.

It’s also not 100 percent made in America, and businesses say that target is hard to hit.

Washington Alley is a men’s clothing and specialty outfit based in Detroit that also sells other American-made goods. Like Royal Apparel, it has the imprimatur of the Made in America Movement, which tries to highlight American outfits in many fields. Washington Alley co-founder Eddy Beyne noted the near impossibility of having everything from raw materials to finished product be exclusively from the U.S.

The last American denim factory, Cone Mills White Oak Plant in Greensboro, North Carolina, shuttered on the last day of 2017. That could prove problematic for Washington Alley’s jeans, which are currently on sale for \$99. “And American-made shoes? Those are almost impossible to find,” Mr. Beyne said.

“If Trump slapped tariffs on all the clothes coming in from China, yes, it would probably help us in terms of our competitive price point,” he said. “But would that be the best thing for the most people? I don’t think it would.”

Instead, Mr. Beyne and Mr. Brumer spoke about how they were positioning their companies as “Made in the USA,” which they think carries a certain cachet as well as an understanding that more quality labor may be involved.

“Stop wasting your weekends at the mall buying what everyone else already has. Buy something of quality that is unique and made with pride in the USA,” proclaims Washington Alley’s website.