



NDAA ENHANCED DOMESTIC CONTENT REQUIREMENT and exemption for Nations with Reciprocal Defense Procurement MOUs

Section 835

[National Defense Authorization Act](#)

Fiscal Year 2024

Presented at DMAG meeting 25 January 2024

Background

- President Biden is working on updates to the implementation of the Buy American Act to ensure taxpayer dollars create good-paying jobs in the country and strengthen critical supply chains, and position U.S. businesses to compete in strategic industries.
- In his first week in office, Biden signed Executive Order 14005, ensuring the Future Is Made in All of America by All of America's Workers, initiating a review of Buy American policy and establishing the first-ever Made in America Office in the Office of Management and Budget.
- “The United States Government should, whenever possible, procure goods, products, materials, and services from sources that will help American businesses compete in strategic industries and help America's workers thrive.”
- The NDAA FY24 section 835 codifies this policy as law for major defense programs.

Purpose – increase domestic content

- The requirement is that

Manufactured articles, materials, or supplies procured in connection with a major defense acquisition program are manufactured substantially all from articles, materials, or supplies mined, produced, or manufactured in the United States

Schedule – domestic content to increase over time

- A. supplied not later than the date of the enactment of this Act, exceeds 60 percent of cost of the manufactured articles, materials, or supplies procured;
- B. supplied during the period beginning January 1, 2024, and ending December 31, 2028, exceeds 65 percent of the cost of the manufactured articles, materials, or supplies; and
- C. supplied on or after January 1, 2029, exceeds 75 percent of the cost of the manufactured articles, materials, or supplies.

Exemptions 1

- The requirements of this subsection
- (B) shall not apply to articles manufactured in countries that have executed a reciprocal defense procurement memorandum of understanding with the United States
- 28 nations: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom
See <https://www.acq.osd.mil/asda/dpc/cp/ic/reciprocal-procurement-mou.html>

Exemptions 2

- The requirements of this subsection
- (C) shall not apply to a country that is a member of the national technology and industrial base
- The term “national technology and industrial base” means the persons and organizations that are engaged in research, development, production, integration, services, or information technology activities conducted within the United States, the United Kingdom of Great Britain and Northern Ireland, Australia, New Zealand, and Canada.

What's next

- Inform your capitals and industry!
 - Make sure this is known and used!
- Inform the US Government about this!
 - Use bilateral meetings to inform US counterparts about this.
- This might change in coming years – we must monitor this yearly