

GAO Highlights

Highlights of [GAO-24-106166](#), a report to congressional committees

Why GAO Did This Study

For decades, U.S. manufacturing capability has declined as companies outsourced production to other countries. Various domestic preference laws have been enacted reflecting a preference to purchase U.S. products. These laws permit agency waivers, as appropriate, to contracts and federal financial assistance (e.g., grants).

The Infrastructure Investment and Jobs Act directed GSA to develop a public website displaying information on agencies' use of the waivers. The law included a provision for GAO to review this effort. This report describes (1) GSA actions to implement website requirements and (2) OMB and GSA plans for future website development.

To conduct this work, GAO analyzed statutory provisions, website content, and user feedback. GAO interviewed officials from GSA, OMB, five federal agencies, and industry associations. GAO chose the agencies based on their high use of waivers as of January 2023 and the associations based on internet and database searches.

What GAO Recommends

GAO is making nine recommendations, two to GSA and seven to OMB, including that they correct reporting errors, provide the capability to report on the remaining waiver type, add audit report results, address user needs, reach agreement on future website development, and identify metrics to gauge effectiveness.

GSA agreed with the two recommendations. OMB generally disagreed or did not comment on the other seven. GAO continues to believe the recommendations are warranted.

View [GAO-24-106166](#). For more information, contact W. William Russell at (202) 512-4841 or russellw@gao.gov.

December 2023

FEDERAL CONTRACTING

Opportunities Exist to Improve the Reporting of Waivers to Domestic Preference Laws

What GAO Found

Buy American and other domestic preference laws, generally require federal agencies and grantees to purchase goods produced in the U.S., but waivers and exceptions (collectively referred to as waivers) to those requirements may apply. The Infrastructure Investment and Jobs Act, enacted in November 2021, gave the General Services Administration (GSA) a year to develop a website where the public could access information on agencies' use of such waivers. GSA released the first iteration of the website in October 2021. As of June 2023, 17 federal agencies had reported information on 745 waivers for items such as laboratory equipment, freight containers, and weapons parts.

Domestic Preference Waivers Reported by Agencies as of June 2023

Waiver type	Examples of waiver use	Number
Nonavailability	Product is not available domestically, in reasonably available commercial quantity and of satisfactory quality	654
Public Interest	The head of an agency determines that domestic preference would be inconsistent with the public interest on a variety of bases, for example, grants below a certain dollar threshold, or to fulfill international trade obligations	67
Urgent needs	An unforeseen and exigent circumstance arises	24
Total ^a		745

Source: GAO analysis of federal agency data. | GAO-24-106166

^aTotal could include some duplicates.

However, key issues remain that need attention and resolution. For example:

- GAO found some errors in agencies' reporting of waivers that have not been resolved.
- The capability to report on one of the seven types of waivers identified by the Office of Management and Budget (OMB) related to unreasonable cost, has not been added to the website, as GSA is awaiting OMB direction to add it.
- The website does not include the results of routine data audits to identify data errors and violation of domestic preference laws, as required.
- Users noted that navigating the GSA website and identifying relevant waivers can be difficult.

OMB and GSA officials indicated that continued improvements to the website are needed. However, they have not agreed on future development plans because they have varying views on how much additional development is needed. They lack fundamental documents and data that could facilitate these decisions. This includes (1) a memorandum of understanding that establishes the extent of future website development and resource needs; and (2) metrics to gauge the effectiveness of the website. Without such an agreement and metrics, OMB and GSA goals will likely continue to be misaligned, future website development could stall, and the website would then continue to not address key user needs.