

TITLE 41—PUBLIC CONTRACTS

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EXECUTIVE ORDER NO. 10925

Ex. Ord. No. 10925, Mar. 6, 1961, 26 F.R. 1977, which related to nondiscrimination provisions in Government contracts and established the President's Committee on Equal Employment Opportunity, was revoked by section 403 of Ex. Ord. No. 11246, Sept. 24, 1965, 30 F.R. 12319, set out as a note under section 2000e of Title 42, The Public Health and Welfare.

§§ 1 to 4a. Repealed. Oct. 21, 1941, ch. 452, 55 Stat. 743

Section 1, R.S. §512; act Feb. 4, 1929, ch. 146, §§1, 3, 45 Stat. 1147, establish a return office for filing returns of contracts made by Secretaries of War, Navy and Interior and appointed a clerk for this office.

Section 2, R.S. §513, required clerk to file all returns. Section 3, R.S. §514, required clerk to keep an index book.

Section 4, R.S. §515, required clerk to provide certified copies of any returns for an established fee.

Section 4a, act Feb. 4, 1929, ch. 146, §§1, 3, 45 Stat. 1147, transferred returns office to General Accounting Office and imposed duties relating thereto upon Comptroller General.

§5. Advertisements for proposals for purchases and contracts for supplies or services for Government departments; application to Government sales and contracts to sell and to Government corporations

Unless otherwise provided in the appropriation concerned or other law, purchases and contracts for supplies or services for the Government may be made or entered into only after advertising a sufficient time previously for proposals, except (1) when the amount involved in any one case does not exceed \$25,000, (2) when the public exigencies require the immediate delivery of the articles or performance of the service, (3) when only one source of supply is available and the Government purchasing or contracting officer shall so certify, or (4) when the services are required to be performed by the contractor in person and are (A) of a technical and professional nature or (B) under Government supervision and paid for on a time basis. Except (1) as authorized by section 1638¹ of Appendix to title 50, (2) when otherwise authorized by law, or (3) when the reasonable value involved in any one case does not exceed \$500, sales and contracts of sale by the Government shall be governed by the requirements of this section for advertising.

In the case of wholly owned Government corporations, this section shall apply to their administrative transactions only.

(R.S. §3709; Aug. 2, 1946, ch. 744, §9(a), (c), 60 Stat. 809; June 30, 1949, ch. 288, title VI, §602(f), formerly title V, §502(e), 63 Stat. 403; renumbered Sept. 5, 1950, ch. 849, §§6(a), (b), 8(c), 64 Stat. 583, and amended Pub. L. 85-800, §7, Aug. 28, 1958, 72 Stat. 967; Pub. L. 93-356, §1, July 25, 1974, 88 Stat. 390; Pub. L. 98-191, §9(b), Dec. 1, 1983, 97 Stat. 1332.)

REFERENCES IN TEXT

Section 1638 of Appendix to title 50, referred to in text, was repealed by act June 30, 1949, ch. 288, title VI, §602(a)(1), formerly title V, §502(a)(1), 63 Stat. 399, eff. July 1, 1949, renumbered by act Sept. 5, 1950, ch. 849, §6(a), (b), 64 Stat. 583.

CODIFICATION

R.S. §3709 derived from act Mar. 2, 1861, ch. 84, §10, 12 Stat. 220.

AMENDMENTS

1983—Pub. L. 98-191 substituted "\$25,000" for "\$10,000".

1974—Pub. L. 93-356 substituted "\$10,000" for "\$2,500".

1958—Pub. L. 85-800 substituted "\$2,500" for "\$500".

1949—Act June 30, 1949, substituted "\$500" for "\$100".

1946—Act Aug. 2, 1946, among other changes, inserted cls. (1), (3), and (4), and made section applicable to sales and contracts of sale by the Government, except in certain cases.

EFFECTIVE DATE OF 1949 AMENDMENT

Amendment by act June 30, 1949, effective July 1, 1949, see section 605, formerly section 505, of act June

¹ See References in Text note below.

30, 1949, ch. 288, 63 Stat. 403; renumbered by act Sept. 5, 1950, ch. 849, §6(a), (b), 64 Stat. 583.

EXEMPTION OF FUNCTIONS

Functions authorized by Foreign Assistance Act of 1961, as amended, as exempt, see Ex. Ord. No. 11223, May 12, 1965, 30 F.R. 6635, set out as a note under section 2393 of Title 22, Foreign Relations and Intercourse.

SECTION INAPPLICABLE TO ARMED SERVICES AND NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Section inapplicable to procurement or sale of property or services by Armed Services and National Aeronautics and Space Administration, see section 2314 of Title 10, Armed Forces.

REPEAL OF EXEMPTIONS

Section 9(b) of act Aug. 2, 1946, provided: "Exemptions from section 3709, Revised Statutes [this section], in other law in amounts of \$100 or less are hereby repealed."

§ 5a. Definitions

The word "department" as used in this Act shall be construed to include independent establishments, other agencies, wholly owned Government corporations (the transactions of which corporations shall be subject to the authorizations and limitations of this Act, except that section 5 of this title shall apply to their administrative transactions only), and the government of the District of Columbia, but shall not include the Senate, House of Representatives, or office of the Architect of the Capitol, or the officers or employees thereof. The words "continental United States" as used herein shall be construed to mean the forty-eight States and the District of Columbia. The word "Government" shall be construed to include the government of the District of Columbia. The word "appropriation" shall be construed as including funds made available by legislation under section 9104 of title 31.

(Aug. 2, 1946, ch. 744, §18, 60 Stat. 811.)

REFERENCES IN TEXT

This Act, referred to in text, means act Aug. 2, 1946, ch. 744, 60 Stat. 806. For complete classification of this Act to the Code see Tables.

CODIFICATION

"Section 9104 of title 31" substituted in text for "section 104 of the Government Corporation Control Act, approved December 6, 1945 [31 U.S.C. 849]" on authority of Pub. L. 97-258, §4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

Section was formerly classified to section 73b-4 of title 5 prior to the general revision and reenactment of Title 5, Government Organization and Employees by Pub. L. 89-554, Sept. 6, 1966 80 Stat. 378.

§ 6. Repealed. Oct. 31, 1951, ch. 654, § 1(98)-(105), 65 Stat. 705

Section, acts Oct. 10, 1940, ch. 851, §1, 54 Stat. 1109; June 28, 1941, ch. 258, titles II, III, IV, 55 Stat. 281, 289, 292, 302; June 8, 1942, ch. 396, 56 Stat. 347; July 2, 1942, ch. 472, titles II, III, IV, 56 Stat. 483, 500, 505; June 28, 1943, ch. 173, titles I, II, 57 Stat. 236, 243; June 26, 1944, ch. 277, titles I, II, 58 Stat. 351, 358; June 13, 1945, ch. 189, 59 Stat. 256; July 1, 1946, ch. 530, 60 Stat. 405; June 30, 1947, ch. 166, title II, §204, 61 Stat. 208; June 30, 1949, ch. 288, title I, §§103, 104(a), 63 Stat. 380, which excepted from provisions of section 5 of this title a number of

specified Government departments and agencies, when purchases or services were not in excess of certain specified amounts up to \$500.

Another provision of title III of act July 2, 1942, ch. 472, 56 Stat. 493, which also had been shown as one of the sources of this former section, made an exception with respect to purchases or services rendered for the Office of the Administrator of Civil Aeronautics, when the aggregate amount involved did not exceed \$100. That provision was not repealed, but, if it did not expire with that act, which was an appropriation act, it was superseded by section 5 of this title, as amended.

A prior section 6, acts Feb. 27, 1893, ch. 168, 27 Stat. 485; Mar. 1, 1899, ch. 325, 30 Stat. 957; Mar. 2, 1911, ch. 192, 36 Stat. 975; May 18, 1916, ch. 125, 39 Stat. 126; Mar. 1, 1919, ch. 86, 40 Stat. 1262; May 29, 1920, ch. 214, 41 Stat. 677; June 12, 1922, ch. 218, 42 Stat. 638; Feb. 13, 1923, ch. 72, 42 Stat. 1244; Feb. 15, 1934, ch. 13, 48 Stat. 351, related to exceptions to the requirements of section 5 of this title, prior to repeal by act Oct. 10, 1940, ch. 851, §4, 54 Stat. 1111. See sections 5, 6a, and 6b of this title.

§ 6a. Advertisements for proposals for purchases and contracts for supplies or services for Government departments; limited to particular agencies under specified circumstances

Section 5 of this title shall not be construed to apply under any appropriation Act to the following departments and independent offices under the circumstances specified herein:

(a) American Battle Monuments Commission—to any leases in foreign countries for office or garage space.

(b) to (e) Repealed. Oct. 31, 1951, ch. 654, §1(107), 65 Stat. 705.

(f) The Bureau of Interparliamentary Union for Promotion of International Arbitration—to stenographic reporting services by contract if deemed necessary.

(g) Repealed. Oct. 31, 1951, ch. 654, §1(107), 65 Stat. 705.

(h) Department of State—when the purchase or service relates to the packing of personal and household effects of Diplomatic, Consular, and Foreign Service officers and clerks for foreign shipment.

(i) Repealed. Oct. 31, 1951, ch. 654, §1(107), 65 Stat. 705.

(j) The International Committee of Aerial Legal Experts—to stenographic and other service by contract as deemed necessary.

(June 12, 1917, ch. 27, 40 Stat. 144; May 13, 1926, ch. 294, 44 Stat. 547; Oct. 10, 1940, ch. 851, §2, 54 Stat. 1110; June 28, 1941, ch. 259, 55 Stat. 344; Oct. 31, 1951, ch. 654, §§1(106)-(108), 3(8), (9), 4(9), 65 Stat. 705, 708, 709; Pub. L. 85-75, July 1, 1957, 71 Stat. 251.)

CODIFICATION

Opening par., and subsecs. (a), (f), (h), and (j) of this section are from act Oct. 10, 1940, §2, opening par., and pars. (a), (f), and (j). Remainder of paragraphs of section 2 were repealed. See 1951 amendment note set out under this section.

Subsec. (o) of this section, which was from Act May 13, 1926, ch. 294, §1, 44 Stat. 547, made section 5 of this title inapplicable to the Architect of the Capitol in the purchase of supplies and equipment and procurement of services when the aggregate amount thereof did not exceed \$1,000 in any instance and was omitted as superseded by section 6a-1 of this title.

Subsec. (p) of this section, which was from act June 12, 1917, ch. 27, §1, 40 Stat. 144, made section 5 of this

title inapplicable to expenditures not exceeding \$50 by the United States Geological Survey and was repealed by act Oct. 31, 1951, ch. 654, §1(106), 65 Stat. 705.

PRIOR PROVISIONS

A prior section 6a, acts Jan. 25, 1929, ch. 102, title IV, 45 Stat. 1136; Apr. 18, 1930, ch. 184, title IV, 46 Stat. 215; Feb. 23, 1931, ch. 280, title IV, 46 Stat. 1352; July 1, 1932, ch. 361, title IV, 47 Stat. 520; Mar. 1, 1933, ch. 144, title IV, 47 Stat. 1409; Apr. 7, 1934, ch. 104, title IV, 48 Stat. 568; Mar. 22, 1935, ch. 39, §1, 49 Stat. 102; May 15, 1936, ch. 405, 49 Stat. 1347; June 16, 1937, ch. 359, title IV, 50 Stat. 298; Apr. 27, 1938, ch. 180, title IV, 52 Stat. 285; June 29, 1939, ch. 249, 53 Stat. 921; June 26, 1940, ch. 428, title I, 54 Stat. 575, excepted Department of Labor from the provisions of section 5 of this title, prior to repeal by act Oct. 10, 1940, ch. 851, §4, 54 Stat. 1111.

AMENDMENTS

1957—Subsec. (o). Pub. L. 85-75 substituted “\$1,000” for “\$500”.

1951—Subsec. (a). Act Oct. 31, 1951, §3(8), struck out “to any purchases when the aggregate amount involved does not exceed \$500, nor” before “to any leases”.

Subsec. (b). Act Oct. 31, 1951, §1(107), repealed subsec. (b) which related to Botanic Garden.

Subsec. (c). Act Oct. 31, 1951, §1(107), repealed subsec. (c) which also related to Botanic Garden.

Subsec. (d). Act Oct. 31, 1951, §1(107), repealed subsec. (d) which related to Bureau of the Budget.

Subsec. (e). Act Oct. 31, 1951, §1(107), repealed subsec. (e) which related to Bureau of Foreign and Domestic Commerce.

Subsec. (g). Act Oct. 31, 1951, §1(107), repealed subsec. (g) which related to Department of the Interior.

Subsec. (h). Act Oct. 31, 1951, §3(9), struck out “to any purchase or service when the aggregate amount does not exceed \$100, or with respect to articles, materials, or supplies for use outside the United States when the aggregate amount involved does not exceed \$300; or” before “when the purchase”.

Subsec. (i). Act Oct. 31, 1951, §1(107), repealed subsec. (i) which related to Federal Communications Commission.

Subsec. (k). Act Oct. 31, 1951, §1(107), repealed subsec. (k) which related to Medical Department of the Army.

Subsec. (l). Act Oct. 31, 1951, §1(107), repealed subsec. (l) which related to Social Security Board.

Subsec. (m). Act Oct. 31, 1951, §1(107), repealed subsec. (m) which related to Bureau of Mines.

Subsec. (n). Act Oct. 31, 1951, §1(107), repealed subsec. (n) which related to Bureau of Reclamation.

Subsec. (o). Act Oct. 31, 1951, §4(9), increased the maximum from \$200 to \$500.

1941—Subsec. (m). Act June 28, 1941, reaffirmed provision respecting Bureau of Mines.

REPEALS

Section 1(108) of act Oct. 31, 1951, repealed the proviso in act June 28, 1941, cited as a credit to this section, which excepted expenditures not exceeding \$500 by the Bureau of Mines from section 5 of this title.

Section 1(106) of act Oct. 31, 1951, repealed the proviso in act June 12, 1917, cited as a credit to this section, which excepted expenditures not exceeding \$50 by the United States Geological Survey from section 5 of this title.

Section 4(a) of act Oct. 10, 1940, provided for repeal of all prior laws, which are covered by that act and that any rights or liabilities existing under those repealed sections or parts of sections shall not be affected by their repeal.

LEASES FOR FOREIGN SERVICE OFFICES

Provisions contained in annual appropriation acts for the Department of State authorizing the Secretary of State to enter into leases for Foreign Service offices and grounds for periods not exceeding ten years without regard to section 5 of this title were made perma-

nent, and are covered by section 2670 of Title 22, Foreign Relations and Intercourse.

BUREAU OF EMPLOYEES' COMPENSATION

Section 5 of this title not applicable to any purchase or service of the Bureau of Employees' Compensation outside continental United States when the aggregate amount involved does not exceed \$500 under acts July 8, 1947, ch. 210, title II, 61 Stat. 264; June 14, 1948, ch. 465, title II, 62 Stat. 396; June 29, 1949, ch. 275, title II, 63 Stat. 284. This Bureau, with its functions, transferred from Federal Security Agency to Department of Labor by Reorg. Plan No. 19, of 1950, §1, eff. May 24, 1950, 15 F.R. 3178, 64 Stat. 1271, set out in the Appendix to Title 5, Government Organization and Employees.

GOVERNMENT-OWNED FURNITURE REMOVED TO WASHINGTON, D.C.

Act July 30, 1947, ch. 359, title I, 61 Stat. 594, provided in part: “That removal to the seat of government of Government-owned or leased furniture, equipment, supplies, and other property and household goods and personal effects of employees, and costs of restoration of leased office space when required, may be accomplished without regard to section 3709 of the Revised Statutes [section 5 of this title]”.

SECTION INAPPLICABLE TO ARMED SERVICES AND NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Section inapplicable to procurement or sale of property or services by Armed Services and National Aeronautics and Space Administration, see section 2314 of Title 10, Armed Forces.

§ 6a-1. Architect of the Capitol, exception from advertisement requirements

On and after July 27, 1965, the purchase of supplies and equipment and the procurement of services for all branches under the Architect of the Capitol may be made in the open market without compliance with section 5 of this title in the manner common among businessmen, when the aggregate amount of the purchase or the service does not exceed \$25,000 in any instance.

(Pub. L. 89-90, July 27, 1965, 79 Stat. 276; Pub. L. 93-356, §2, July 25, 1974, 88 Stat. 390; Pub. L. 98-191, §9(c), Dec. 1, 1983, 97 Stat. 1332.)

PRIOR PROVISIONS

A prior section 6a-1, acts June 25, 1910, ch. 431, §23, 36 Stat. 861; May 18, 1916, ch. 125, §1, 39 Stat. 126; Jan. 12, 1927, ch. 27, 44 Stat. 936, related to purchase of Indian supplies, prior to repeal by act Oct. 10, 1940, ch. 851, §4, 54 Stat. 1111.

AMENDMENTS

1983—Pub. L. 98-191 substituted “\$25,000” for “\$10,000”.

1974—Pub. L. 93-356 substituted “\$10,000” for “\$2,500”.

§ 6a-2. Architect of the Capitol, authority for personal services contracts with legal entities

Notwithstanding any other provision of law, the Architect of the Capitol is authorized to contract for personal services with any firm, partnership, corporation, association, or other legal entity in the same manner as he is authorized to contract for personal services with individuals under the provisions of section 5 of this title.

(Pub. L. 96-558, Dec. 19, 1980, 94 Stat. 3263.)

§ 6a-3. House of Representatives, exception from advertisement requirements

Section 5 of this title does not apply to purchases and contracts for supplies or services for any office of the House of Representatives in any fiscal year.

(Pub. L. 108-7, div. H, title I, §104, Feb. 20, 2003, 117 Stat. 354.)

§ 6a-4. Director of the Congressional Budget Office, exception from advertisement requirements

(a) Exception

The Director of the Congressional Budget Office may enter into agreements or contracts without regard to section 5 of this title.

(b) Effective Date

This section shall apply to fiscal year 2003 and each fiscal year thereafter.

(Pub. L. 108-7, div. H, title I, §1102, Feb. 20, 2003, 117 Stat. 370.)

§ 6b. Miscellaneous exceptions from advertisement requirements

(a) Control of insects, pests, and grass diseases

Materials and equipment for the control of incipient or emergency outbreaks of insects, pests, or grass diseases, including grasshoppers, Mormon crickets, and chinch bugs, may be procured with any sums appropriated to carry out the provisions of sections 148 to 148e¹ of title 7 without regard to the provisions of section 5 of this title, and the transportation thereof may be under such conditions and means as shall be determined by the Secretary of Agriculture to be most advantageous.

(b) Omitted

(c) Operations on Menominee Indian Reservation

All contracts for labor or supplies necessary for the carrying on of operations on the Menominee Indian Reservation pursuant to the Act of March 28, 1908 (35 Stat. 51), as amended, shall be exempt from the requirements of section 5 of this title.

(d) Sale of Indian produced forest products

The lumber and other forest products produced by Indian enterprises from the forests on Indian reservations may be sold under such regulations as the Secretary of the Interior may prescribe, without compliance with section 5 of this title.

(June 24, 1940, ch. 412, 54 Stat. 504; Oct. 10, 1940, ch. 851, §3, 54 Stat. 1111.)

REFERENCES IN TEXT

Sections 148 to 148e of title 7, referred to in subsec. (a), were repealed. Sections 148, 148a, and 148c to 148e were repealed by Pub. L. 106-224, title IV, §438(a)(6), June 20, 2000, 114 Stat. 454, and section 148b was repealed by Act Oct. 10, 1940, ch. 851, §4, 54 Stat. 1111.

Act of March 28, 1908 (35 Stat. 51), referred to in subsec. (c), probably means act Mar. 28, 1908, ch. 111, 35 Stat. 51, which is not classified to the Code.

CODIFICATION

Subsecs. (a) to (c) are from act Oct. 10, 1940. Subsec. (b), which related to obligations of Civilian Conserva-

tion Corps, was omitted because the Corps was liquidated June 30, 1944.

Subsec. (d) is from act June 24, 1940, which was formerly classified to section 6mm of this title.

Subsec. (e), which related to the employment of experts or consultants in the Canal Zone, was from the General Government Matters Appropriation Act, 1962, Pub. L. 87-125, title III, §301, Aug. 3, 1961, 75 Stat. 279, and was omitted as not repeated in subsequent appropriation acts. Provisions similar to former subsec. (e) were contained in the following prior appropriation acts:

May 13, 1960, Pub. L. 86-451, title II, §201, 74 Stat. 101.
 July 13, 1959, Pub. L. 86-88, title II, §201, 73 Stat. 208.
 June 25, 1958, Pub. L. 85-469, title II, §203, 72 Stat. 236.
 June 13, 1957, Pub. L. 85-52, title II, §203, 71 Stat. 79, as amended Mar. 28, 1958, Pub. L. 85-352, ch. II, §201, 72 Stat. 52.

June 20, 1956, ch. 415, title II, §203, 70 Stat. 324.

June 30, 1955, ch. 253, title II, §203, 69 Stat. 236.

June 30, 1954, ch. 425, §104, 68 Stat. 335.

July 27, 1953, ch. 245, §104, 67 Stat. 202.

July 11, 1952, ch. 669, §104, 66 Stat. 584.

Oct. 24, 1951, ch. 556, §104, 65 Stat. 622.

Sept. 6, 1950, ch. 896, Ch. IX, §103, 64 Stat. 730.

Oct. 13, 1949, ch. 688, §4, 63 Stat. 852.

June 25, 1948, ch. 655, §4, 62 Stat. 1026.

July 31, 1947, ch. 411, §4, 61 Stat. 694.

May 2, 1946, ch. 247, §4, 60 Stat. 167.

Mar. 31, 1945, ch. 45, §4, 59 Stat. 45.

June 26, 1944, ch. 275, §4, 58 Stat. 333.

June 2, 1943, ch. 115, §4, 57 Stat. 99.

Apr. 28, 1942, ch. 246, §5, 56 Stat. 225.

June 24, 1940, ch. 412, 54 Stat. 504.

PRIOR PROVISIONS

A prior section 6b, acts Feb. 23, 1931, ch. 281, 46 Stat. 1363; June 30, 1932, ch. 330, 47 Stat. 460; June 16, 1933, ch. 101, 48 Stat. 292; Mar. 28, 1934, ch. 102, title I, 48 Stat. 514; Feb. 2, 1935, ch. 3, 49 Stat. 11; Mar. 19, 1936, ch. 156, 49 Stat. 1173; June 28, 1937, ch. 396, 50 Stat. 336; May 23, 1938, ch. 259, 52 Stat. 418; Mar. 16, 1939, ch. 11, 53 Stat. 532; Apr. 18, 1940, ch. 107, 54 Stat. 131, excepted General Accounting Office from provisions of section 5 of this title, prior to repeal by act Oct. 10, 1940, ch. 851, §4, 54 Stat. 1111.

TRANSFER OF FUNCTIONS

Functions of all officers, agencies and employees of Department of Agriculture transferred, with certain exceptions, to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, §1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

§§ 6c to 6jj. Repealed. Oct. 10, 1940, ch. 851, § 4, 54 Stat. 1111

Section 6c, acts June 22, 1936, ch. 689, 49 Stat. 1604; June 28, 1937, ch. 396, 50 Stat. 341; May 23, 1938, ch. 259, 52 Stat. 424; Mar. 16, 1939, ch. 11, 53 Stat. 539; June 25, 1940, ch. 421, 54 Stat. 566, excepted Rural Electrification Administration from provisions of section 5 of this title when aggregate amount involved did not exceed \$100.

Section 6d, acts June 22, 1936, ch. 689, 49 Stat. 1605; June 28, 1937, ch. 396, 50 Stat. 344; May 23, 1938, ch. 259, 52 Stat. 426; Mar. 16, 1939, ch. 11, 53 Stat. 540, excepted Social Security Board from provisions of section 5 of this title when aggregate amount involved did not exceed \$100.

Section 6e, acts May 14, 1937, ch. 180, title I, 50 Stat. 139; Mar. 28, 1938, ch. 55, 52 Stat. 123; May 6, 1939, ch. 115, title I, 53 Stat. 656; Mar. 25, 1940, ch. 71, title I, 54 Stat. 56, excepted Treasury Department from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6f, acts June 16, 1937, ch. 359, title I, 50 Stat. 273; Apr. 27, 1938, ch. 180, title I, 52 Stat. 258; June 29, 1939, ch. 248, title I, 53 Stat. 896; May 14, 1940, ch. 189,

¹ See References in Text note below.

title I, 54 Stat. 192, excepted Department of State from provisions of section 5 of this title when aggregate amount involved did not exceed certain specified amounts.

Section 6g, acts June 16, 1937, ch. 359, title II, 50 Stat. 275; Apr. 27, 1938, ch. 180, title II, 52 Stat. 260; June 29, 1939, ch. 248, title II, 53 Stat. 898; May 14, 1940, ch. 189, title III, 54 Stat. 201, 202, excepted Federal Bureau of Investigation from provisions of section 5 of this title when aggregate amount did not exceed \$50.

Section 6h, acts June 16, 1937, ch. 359, title III, 50 Stat. 285; Apr. 27, 1938, ch. 180, title III, 52 Stat. 272, excepted Bureau of Air Commerce from provisions of section 5 of this title when aggregate amount involved did not exceed \$100.

Section 6i, acts June 28, 1937, ch. 396, 50 Stat. 335; May 23, 1938, ch. 259, 52 Stat. 417; Mar. 16, 1939, ch. 11, 53 Stat. 532; Apr. 18, 1940, ch. 107, 54 Stat. 124, excepted Federal Trade Commission from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6j, acts June 28, 1937, ch. 396, 50 Stat. 338; May 23, 1938, ch. 259, 52 Stat. 420; Mar. 16, 1939, ch. 11, 53 Stat. 534; Apr. 18, 1940, ch. 107, 54 Stat. 133, excepted Interstate Commerce Commission from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6k, acts June 28, 1937, ch. 396, 50 Stat. 339; May 23, 1938, ch. 259, 52 Stat. 421; Mar. 16, 1939, ch. 11, 53 Stat. 536; Apr. 18, 1940, ch. 107, 54 Stat. 135, excepted National Archives from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6l, acts June 28, 1937, ch. 396, 50 Stat. 339; May 23, 1938, ch. 259, 52 Stat. 422; Mar. 16, 1939, ch. 11, 53 Stat. 537; June 26, 1940, ch. 428, title IV, 54 Stat. 595, excepted National Labor Relations Board from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6m, acts June 28, 1937, ch. 396, 50 Stat. 341; May 23, 1938, ch. 259, 52 Stat. 423; Mar. 16, 1939, ch. 11, 53 Stat. 538; June 26, 1940, ch. 428, title VI, 54 Stat. 596, excepted Railroad Retirement Board from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6n, acts June 28, 1937, ch. 396, 50 Stat. 342; May 23, 1938, ch. 259, 52 Stat. 425; Mar. 16, 1939, ch. 11, 53 Stat. 539; Apr. 18, 1940, ch. 107, 54 Stat. 136, excepted Securities and Exchange Commission from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6o, act Apr. 6, 1937, ch. 69, §3, as added May 9, 1938, ch. 192, 52 Stat. 344, excepted control of insects and plant diseases from provisions of section 5 of this title.

Section 6p, act May 23, 1938, ch. 259, 52 Stat. 417, Mar. 16, 1939, ch. 11, 53 Stat. 531; Apr. 18, 1940, ch. 107, 54 Stat. 124, excepted Federal Power Commission from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6q, acts June 25, 1938, ch. 681, title I, 52 Stat. 1117; Mar. 16, 1939, ch. 11, 53 Stat. 535; Apr. 18, 1940, ch. 107, 54 Stat. 134, excepted Maritime Labor Board from provisions of section 5 of this title when aggregate amount involved did not exceed \$100.

Section 6r, acts Mar. 16, 1939, ch. 11, 53 Stat. 527; Apr. 18, 1940, ch. 107, 54 Stat. 116, excepted Civil Aeronautics Authority from provisions of section 5 of this title when aggregate amount involved did not exceed \$100.

Section 6s, acts Aug. 7, 1935, ch. 455, 49 Stat. 540; Feb. 11, 1936, ch. 49, 49 Stat. 1123; May 15, 1936, ch. 405, 49 Stat. 1316; June 16, 1937, ch. 359, 50 Stat. 267; Apr. 27, 1938, ch. 180, 52 Stat. 254; June 29, 1939, ch. 248, title I, 53 Stat. 892; May 14, 1940, ch. 189, title I, 54 Stat. 188, excepted International Technical Committee of Aerial Legal Experts from provisions of section 5 of this title.

Section 6t, acts May 15, 1936, ch. 405, 49 Stat. 1315; June 16, 1937, ch. 359, 50 Stat. 267; Apr. 27, 1938, ch. 180, 52 Stat. 253; June 29, 1939, ch. 248, title I, 53 Stat. 891, excepted Bureau of Interparliamentary Union for Promotion of International Arbitration from provisions of section 5 of this title.

Section 6u, acts Feb. 20, 1929, ch. 270, 45 Stat. 1243; Apr. 19, 1930, ch. 201, 46 Stat. 243; Feb. 23, 1931, ch. 281, 46 Stat. 1370; Feb. 2, 1935, ch. 3, 49 Stat. 16; Mar. 19, 1936, ch. 156, 49 Stat. 1180; June 28, 1937, ch. 396, 50 Stat. 345; May 23, 1938, ch. 259, 52 Stat. 427; Mar. 16, 1939, ch. 11, 53 Stat. 542; Apr. 18, 1940, ch. 107, 54 Stat. 137, excepted Tariff Commission (now International Trade Commission) from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6v, acts June 28, 1937, ch. 396, 50 Stat. 331; May 23, 1938, ch. 259, 52 Stat. 412; Mar. 16, 1939, ch. 11, 53 Stat. 525; Apr. 18, 1940, ch. 107, 54 Stat. 113, excepted American Battle Monuments Commission from provisions of section 5 of this title when aggregate amount involved did not exceed \$500.

Section 6v-1, act Apr. 18, 1940, ch. 107, 54 Stat. 113, excepted American Battle Monuments Commission, when entering into leases in foreign countries, from provisions of section 5 of this title.

Section 6w, acts June 16, 1938, ch. 464, 52 Stat. 750; June 30, 1939, ch. 253, title II, 53 Stat. 978; June 25, 1940, ch. 421, 54 Stat. 568, excepted Farm Credit Administration from provisions of section 5 of this title when aggregate amount did not exceed \$50.

Section 6x, act Aug. 25, 1937, ch. 757, title I, 50 Stat. 759, excepted United States Maritime Commission from provisions of section 5 of this title when aggregate amount did not exceed \$100.

Section 6y, acts Aug. 9, 1939, ch. 633, title I, 53 Stat. 1318; June 18, 1940, ch. 395, 54 Stat. 443, excepted Bureau of Mines from provisions of section 5 of this title when aggregate amount did not exceed \$500.

Section 6z, act Apr. 18, 1940, ch. 107, 54 Stat. 112, excepted Bureau of the Budget (now Office of Management and Budget) from provisions of section 5 of this title when aggregate amounts involved did not exceed certain specified sums.

Section 6aa, act Apr. 18, 1940, ch. 107, 54 Stat. 118, excepted Federal Communications Commission from provisions of section 5 of this title when aggregate amount did not exceed \$50.

Section 6bb, act Apr. 18, 1940, ch. 107, 54 Stat. 119, excepted Federal Loan Agency from provisions of section 5 of this title when aggregate amounts involved did not exceed certain specified sums.

Section 6cc, act Apr. 18, 1940, ch. 107, 54 Stat. 120, excepted Federal Home Loan Bank from provisions of section 5 of this title when aggregate amounts involved did not exceed certain specified sums.

Section 6dd, act Apr. 18, 1940, ch. 107, 54 Stat. 131, excepted General Accounting Office from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6ee, acts Feb. 11, 1927, ch. 104, 44 Stat. 1081; Apr. 18, 1940, ch. 107, 54 Stat. 137, excepted Tariff Commission (now International Trade Commission) from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6ff, act May 14, 1940, ch. 189, title I, 54 Stat. 189, excepted International Boundary Commission, United States and Mexico, from provisions of section 5 of this title when aggregate amount involved did not exceed \$500.

Section 6gg, act May 14, 1940, ch. 189, title IV, 54 Stat. 211, excepted Administrative Office of United States Courts from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6hh, act June 11, 1940, ch. 313, title I, 54 Stat. 290, excepted Navy Department from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

Section 6ii, acts Jan. 25, 1929, ch. 102, title III, 45 Stat. 1119; Apr. 18, 1930, ch. 184, title III, 46 Stat. 198; Feb. 23, 1931, ch. 280, title III, 46 Stat. 1334; July 1, 1932, ch. 361, title III, 47 Stat. 502; Mar. 1, 1933, ch. 144, title III, 47 Stat. 1393; Apr. 7, 1934, ch. 104, title III, 48 Stat. 551; Mar. 22, 1935, ch. 39, 49 Stat. 90; May 15, 1936, ch. 405, 49 Stat. 1336; June 16, 1937, ch. 359, title III, 50 Stat. 287; Apr. 27, 1938, ch. 180, title III, 52 Stat. 273; June 29, 1939, ch. 248, title III, 53 Stat. 909, excepted Bureau of For-

eign and Domestic Commerce from provisions of section 5 of this title when aggregate amount involved did not exceed \$100.

Section 6jj, acts May 13, 1926, ch. 294, 44 Stat. 548; Feb. 23, 1927, ch. 168, 44 Stat. 1157; May 14, 1928, ch. 551, 45 Stat. 528; Feb. 28, 1929, ch. 367, 45 Stat. 1397; June 6, 1930, ch. 407, 46 Stat. 516; Feb. 20, 1931, ch. 234, 46 Stat. 1186; June 30, 1932, ch. 314, 47 Stat. 393; Feb. 28, 1933, ch. 134, 47 Stat. 1362; May 30, 1934, ch. 372, 48 Stat. 828; July 8, 1935, ch. 374, 49 Stat. 471; Apr. 17, 1936, ch. 233, 49 Stat. 1226; May 18, 1937, ch. 223, 50 Stat. 181; May 17, 1938, ch. 236, 52 Stat. 392; June 16, 1939, ch. 208, 53 Stat. 834; June 18, 1940, ch. 396, 54 Stat. 474, excepted Botanic Garden, in purchase of trees and plants, from provisions of section 5 of this title when aggregate amount involved did not exceed \$300.

§ 6kk. Omitted

CODIFICATION

Section, acts Apr. 17, 1936, ch. 233, 49 Stat. 1226; May 18, 1937, ch. 223, 50 Stat. 181; May 17, 1938, ch. 236, 52 Stat. 392; June 16, 1939, ch. 208, 53 Stat. 834; June 18, 1940, ch. 396, 54 Stat. 474, which excepted Botanic Garden, in purchase of supplies and equipment, from provisions of section 5 of this title when aggregate amount did not exceed \$50, was superseded by subsection (b) of section 6a of this title which was itself repealed by act Oct. 31, 1951, ch. 654, §1(107), 65 Stat. 705.

§ 6ll. Repealed. Oct. 10, 1940, ch. 851, § 4, 54 Stat. 1111

Section, act Apr. 22, 1926, ch. 171, 44 Stat. 314, excepted National Advisory Committee for Aeronautics from provisions of section 5 of this title when aggregate amount involved did not exceed \$50.

§ 6mm. Transferred

CODIFICATION

Section, act June 24, 1940, ch. 412, 54 Stat. 504, which excepted forest products by Indian enterprises from the forests on Indian reservations, was transferred to subsec. (d) of section 6b of this title.

§§ 7 to 7d. Repealed. June 30, 1949, ch. 288, title VI, §602(a)(29)–(31), formerly title V, §502(a)(29)–(31), 63 Stat. 401; renumbered Sept. 5, 1950, ch. 849, § 6(a), (b), 64 Stat. 583

Section 7, act June 17, 1910, ch. 297, § 4, 36 Stat. 531; Ex. Ord. No. 6166, §1, eff. June 10, 1933, as amended by Ex. Ord. No. 6623, eff. Mar. 1, 1934, related to advertisements and contracts for miscellaneous supplies for executive departments and other government establishments in Washington; Procurement Division in Department of Treasury; bond of contractor; and purchase or drawing of supplies.

Section 7a, act Feb. 27, 1929, ch. 354, §1, 45 Stat. 1341; Ex. Ord. No. 6166, §1, eff. June 10, 1933, as amended by Ex. Ord. No. 6623, eff. Mar. 1, 1934, related to consolidation and coordination of government purchases.

Section 7b, act Feb. 27, 1929, ch. 354, §2, 45 Stat. 1342; Ex. Ord. No. 6166, §1, June 10, 1933, as amended by Ex. Ord. No. 6623, Mar. 1, 1934, provided for requisition of supplies and reimbursement.

Section 7c, act Feb. 27, 1929, ch. 354, §3, 45 Stat. 1342; Ex. Ord. No. 6166, §1, eff. June 10, 1933, as amended by Ex. Ord. No. 6623, eff. Mar. 1, 1934, provided for a general supply fund and reports and audits.

Section 7c-1, act May 14, 1935, ch. 110, 49 Stat. 234; Ex. Ord. No. 6166, §1, eff. June 10, 1933, as amended by Ex. Ord. No. 6623, eff. Mar. 1, 1934, related to expenditures incidental to operation of government fuel yards.

Section 7d, act Feb. 27, 1929, ch. 354, §4, 45 Stat. 1342, related to Secretary of Treasury's authority to prescribe regulations.

EFFECTIVE DATE OF REPEAL

Repeal effective July 1, 1949, see section 605 of act June 30, 1949.

§ 8. Opening bids

Whenever proposals for supplies have been solicited, the parties responding to such solicitation shall be duly notified of the time and place of opening the bids, and be permitted to be present either in person or by attorney, and a record of each bid shall then and there be made. (R.S. §3710.)

CODIFICATION

R.S. §3710 derived from Res. Jan. 31, 1868, No. 8, 15 Stat. 246.

EXEMPTION OF FUNCTIONS

Functions authorized by Foreign Assistance Act of 1961, as amended, as exempt, see Ex. Ord. No. 11223, eff. May 12, 1965, 30 F.R. 6635, set out as a note under section 2393 of Title 22, Foreign Relations and Intercourse.

§ 9. Repealed. Feb. 19, 1948, ch. 65, § 11(a), 62 Stat. 25

Section, R.S. §3717, related to separate proposals for works or material or labor. See sections 2303 to 2305 of Title 10, Armed Forces.

EFFECTIVE DATE OF REPEAL

Repeal effective 90 days after Feb. 19, 1948, see section 13 of act Feb. 19, 1948.

§ 10. Omitted

CODIFICATION

Section, act Mar. 3, 1875, ch. 133, §2, 18 Stat. 455, related to preferential treatment of American material in contracts for public improvements, was superseded. See sections 10a to 10d of this title.

§ 10a. American materials required for public use

Notwithstanding any other provision of law, and unless the head of the department or independent establishment concerned shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use. This section shall not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality. This section shall not apply to manufactured articles, materials, or supplies procured under any contract the award value of which is less than or equal to the micro-purchase threshold under section 428 of this title.

(Mar. 3, 1933, ch. 212, title III, §2, 47 Stat. 1520; Pub. L. 100-418, title VII, §7005(b), Aug. 23, 1988, 102 Stat. 1553; Pub. L. 103-355, title IV, §4301(b), Oct. 13, 1994, 108 Stat. 3347.)

AMENDMENTS

1994—Pub. L. 103-355 inserted at end “This section shall not apply to manufactured articles, materials, or

supplies procured under any contract the award value of which is less than or equal to the micro-purchase threshold under section 428 of this title.”

1988—Pub. L. 100-418, §§ 7004, 7005(b), temporarily substituted “Federal agency” for “department or independent establishment”. See Effective and Termination Dates of 1988 Amendment note below.

EFFECTIVE DATE OF 1994 AMENDMENT

Section 4301(c) of Pub. L. 103-355 provided that: “Notwithstanding any other provision of law—

“(1) section 32 of the Office of Federal Procurement Policy Act [41 U.S.C. 428], as added by subsection (a); and

“(2) the amendment made by subsection (b) [amending this section];

shall take effect on the date of the enactment of this Act [Oct. 13, 1994] and shall be implemented in the Federal Acquisition Regulation not later than 60 days after such date of enactment.”

EFFECTIVE AND TERMINATION DATES OF 1988 AMENDMENT

Section 7004 of title VII of Pub. L. 100-418 provided that: “The amendments made by this title [see Short Title of 1988 Amendment note below] shall cease to be effective on April 30, 1996, unless the Congress, after reviewing the report required by section 305(k) of the Trade Agreements Act of 1979 [former 19 U.S.C. 2515(k)], and other relevant information, extends such date. After such date, the President may modify or terminate any or all actions taken pursuant to such amendments.”

Section 7005(f) of title VII of Pub. L. 100-418 provided that: “The amendments made by this section [amending sections 10a, 10b, 10c, and 10d of this title and section 2511 of Title 19, Customs Duties] shall take effect upon enactment [Aug. 23, 1988].”

SHORT TITLE OF 1988 AMENDMENT

Section 7001 of title VII of Pub. L. 100-418 provided that: “This title [enacting section 10b-1 of this title, amending this section, sections 10b, 10c, and 10d of this title, and sections 2511 and 2515 of Title 19, Customs Duties, enacting provisions set out as notes under section 10a of this title, and amending provisions set out as notes under section 10c of this title] may be cited as the ‘Buy American Act of 1988’.”

SHORT TITLE

Section 7, formerly section 5, of title III of act Mar. 3, 1933, as added by Pub. L. 103-355, title X, § 10005(f)(4), Oct. 13, 1994, 108 Stat. 3409, and renumbered and amended by Pub. L. 104-106, div. D, title XLIII, § 4321(a)(11), Feb. 10, 1996, 110 Stat. 671, provided that: “This title [enacting this section, sections 10b and 10c of this title, and provisions set out as notes under section 10c of this title] may be cited as the ‘Buy American Act’.”

IMPLEMENTATION OF BUY AMERICAN ACT WITH RESPECT TO CERTAIN WATER RESOURCE PROJECTS

Pub. L. 100-371, title V, § 508, July 19, 1988, 102 Stat. 875, provided that:

“(a) GENERAL RULE.—For purposes of title III of the Act of March 3, 1933 (47 Stat. 1520; 41 U.S.C. 10a-10c) [41 U.S.C. 10a, 10b, 10b-1, 10c], commonly known as the Buy American Act, a cofferdam or any other temporary structure to be constructed by the Secretary of the Army, acting through the Chief of Engineers, shall be treated in the same manner as a permanent dam constructed by the Secretary of the Army.

“(b) APPLICABILITY.—Subsection (a) shall only apply to contracts entered into after the date of the enactment of this Act [July 19, 1988].”

EXEMPTION OF FUNCTIONS

Functions authorized by Foreign Assistance Act of 1961, as amended, as exempt, see Ex. Ord. No. 11223, eff.

May 12, 1965, 30 F.R. 6635, set out as a note under section 2393 of Title 22, Foreign Relations and Intercourse.

APPLICABILITY OF BUY AMERICAN ACT WITH RESPECT TO EUROPEAN COMMUNITY

For applicability of Buy American Act to procurements covered by agreement with the European Community on government procurement, see Ex. Ord. No. 12849, May 25, 1993, 58 F.R. 30931, set out as a note under section 2511 of Title 19, Customs Duties.

§ 10b. Contracts for public works; specification for use of American materials; blacklisting contractors violating requirements

(a) Every contract for the construction, alteration, or repair of any public building or public work in the United States growing out of an appropriation heretofore made or hereafter to be made shall contain a provision that in the performance of the work the contractor, subcontractors, material men, or suppliers, shall use only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States except as provided in section 10a of this title: *Provided, however,* That if the head of the department or independent establishment making the contract shall find that in respect to some particular articles, materials, or supplies it is impracticable to make such requirement or that it would unreasonably increase the cost, an exception shall be noted in the specifications as to that particular article, material, or supply, and a public record made of the findings which justified the exception.

(b) If the head of a department, bureau, agency, or independent establishment which has made any contract containing the provision required by subsection (a) of this section finds that in the performance of such contract there has been a failure to comply with such provisions, he shall make public his findings, including therein the name of the contractor obligated under such contract, and no other contract for the construction, alteration, or repair of any public building or public work in the United States or elsewhere shall be awarded to such contractor, subcontractors, material men, or suppliers with which such contractor is associated or affiliated, within a period of three years after such findings is made public.

(Mar. 3, 1933, ch. 212, title III, § 3, 47 Stat. 1520; Pub. L. 100-418, title VII, § 7005(c), Aug. 23, 1988, 102 Stat. 1553.)

AMENDMENTS

1988—Subsec. (a). Pub. L. 100-418, §§ 7004, 7005(c)(1), which directed that this section be temporarily amended by substituting “Federal agency” for “department or independent establishment”, was executed to subsec. (a) as the probable intent of Congress. See Termination Date of 1988 Amendment note below.

Subsec. (b). Pub. L. 100-418, §§ 7004, 7005(c)(2), temporarily substituted “Federal agency” for “department, bureau, agency, or independent establishment”. See Termination Date of 1988 Amendment note below.

TERMINATION DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-418 to cease to be effective on Apr. 30, 1996, unless Congress, after reviewing report required by former section 2515(k) of Title 19, Customs Duties, extends such date, see section 7004 of Pub. L. 100-418, set out as an Effective and Termination Dates of 1988 Amendment note under section 10a of this title.

PROHIBITION ON USE OF FUNDS FOR CONSTRUCTION CONTRACTS WITH CONTRACTORS OF FOREIGN COUNTRIES WHICH DENY UNITED STATES CONTRACTORS FAIR OPPORTUNITIES IN CONSTRUCTION PROJECTS OF THAT COUNTRY'S GOVERNMENT

Provisions prohibiting the obligation or expenditure of funds to enter into any contract for construction, alteration, or repair of any public building or public work in the United States or any territory or possession of the United States with any contractor or subcontractor of a foreign country, or any supplier of products of a foreign country, during any period in which such foreign country denies fair and equitable market opportunities for products and services of the United States in procurement or bidding for construction projects that cost more than \$500,000 and are funded in whole or in part by the government of such foreign country or by an entity controlled directly or indirectly by such foreign country were contained in the following appropriation acts:

Pub. L. 101-516, title III, §340, Nov. 5, 1990, 104 Stat. 2187.

Pub. L. 101-514, title V, §511, Nov. 5, 1990, 104 Stat. 2098.

Pub. L. 100-202, §109, Dec. 22, 1987, 101 Stat. 1329-434; Pub. L. 105-362, title XIV, §1401(d), Nov. 10, 1998, 112 Stat. 3294.

§ 10b-1. Omitted

CODIFICATION

Section, act Mar. 3, 1933, ch. 212, title III, §4, as added Aug. 23, 1988, Pub. L. 100-418, title VII, §7002(2), 102 Stat. 1545; amended Oct. 13, 1994, Pub. L. 103-355, title VII, §7206(a), 108 Stat. 3382, which related to prohibition on procurement contracts, was omitted in view of section 7004 of Pub. L. 100-418 which provided that the amendment by Pub. L. 100-418 enacting this section ceased to be effective on Apr. 30, 1996. See section 7004 of Pub. L. 100-418, set out as an Effective and Termination Dates of 1988 Amendment note under section 10a of this title.

Another prior section 4 of act Mar. 3, 1933, was temporarily renumbered section 5 and is set out as a note under section 10c of this title.

§ 10b-2. Limitation on authority to waive Buy American Act requirement**(a) Buy American Act waiver rescissions**

(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of 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 the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) Definition

For purposes of this section, the term "Buy American Act" means title III of the Act enti-

led "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

(Pub. L. 103-160, div. A, title VIII, §849(c), (d), Nov. 30, 1993, 107 Stat. 1725.)

REFERENCES IN TEXT

The Buy American Act, referred to in text, is title III of act Mar. 3, 1933, ch. 212, 47 Stat. 1520, as amended, which enacted sections 10a, 10b, and 10c of this title, and enacted provisions set out as notes under section 10c of this title. For complete classification of this Act to the Code, see Short Title note set out under section 10a of this title and Tables.

CODIFICATION

Subsecs. (a) and (b) were in the original subsecs. (c) and (d), respectively, and were editorially redesignated for purposes of codification.

Pub. L. 103-160, §849(c), (d), which comprises this section, was formerly set out as a note under this section.

SIMILAR PROVISIONS

Provisions similar to those in this section and section 10b-3 of this title were contained in the following acts:

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.

§ 10b-3. Annual report relating to Buy American Act

The Secretary of Defense shall submit to Congress, not later than 60 days after the end of each fiscal year, a report on the amount of purchases by the Department of Defense from foreign entities in that fiscal year. Such report shall separately indicate the dollar value of items for which the Buy American Act (41 U.S.C. 10a et seq.) was waived pursuant to any of the following:

(1) Any reciprocal defense procurement memorandum of understanding described in section 10b-2(a)(2) of this title.

(2) The Trade Agreements Act of 1979 (19 U.S.C. 2501 et seq.)

(3) Any international agreement to which the United States is a party.

(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.)

REFERENCES IN TEXT

The Buy American Act, referred to in text, is title III of act Mar. 3, 1933, ch. 212, 47 Stat. 1520, as amended, which enacted sections 10a, 10b, and 10c of this title, and enacted provisions set out as notes under section 10c of this title. For complete classification of this Act to the Code, see Short Title note set out under section 10a of this title and Tables.

The Trade Agreements Act of 1979, referred to in par. (2), is Pub. L. 96-39, July 26, 1979, 93 Stat. 144. For complete classification of this Act to the Code, see References in Text note set out under section 2501 of Title 19, Customs Duties, and Tables.

AMENDMENTS

1998—Pub. L. 105-261 substituted “60 days” for “90 days” in introductory provisions.

1997—Pub. L. 105-85 substituted “90 days” for “120 days” in introductory provisions.

SIMILAR PROVISIONS

Provisions similar to those in this section were contained in the acts listed in the Similar Provisions note set out under section 10b-2 of this title.

§ 10c. Definition of terms used in sections 10a, 10b, and 10c

When used in sections 10a, 10b, and 10c of this title—

(a) The term “United States”, when used in a geographical sense, includes the United States and any place subject to the jurisdiction thereof;

(b) The terms “public use”, “public building”, and “public work” shall mean use by, public building of, and public work of, the United States, the District of Columbia, Puerto Rico, American Samoa, the Canal Zone, and the Virgin Islands.

(Mar. 3, 1933, ch. 212, title III, §1, 47 Stat. 1520; Proc. No. 2695, eff. July 4, 1946, 11 F.R. 7517, 60 Stat. 1352; Pub. L. 86-70, §43, June 25, 1959, 73 Stat. 151; Pub. L. 86-624, §28, July 12, 1960, 74 Stat. 419; Pub. L. 100-418, title VII, §7005(a), Aug. 23, 1988, 102 Stat. 1552.)

REFERENCES IN TEXT

For definition of Canal Zone, referred to in subsec. (b), see section 3602(b) of Title 22, Foreign Relations and Intercourse.

CODIFICATION

Words “the Philippine Islands” in subsec. (b) of this section were deleted as obsolete in view of recognition of independence of the Philippines by Proc. No. 2695, which was issued pursuant to section 1394 of Title 22, Foreign Relations and Intercourse, and is set out as a note under section 1394.

AMENDMENTS

1988—Subsec. (c). Pub. L. 100-418, §§7004, 7005(a), temporarily added subsec. (c) which read as follows: “The term ‘Federal agency’ has the meaning given such term

by section 472 of title 40, which includes the Departments of the Army, Navy, and Air Force.” See Termination Date of 1988 Amendment note below.

1960—Subsec. (b). Pub. L. 86-624 struck out Hawaii.

1959—Subsec. (b). Pub. L. 86-70 struck out Alaska.

TERMINATION DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-418 to cease to be effective on Apr. 30, 1996, unless Congress, after reviewing report required by former section 2515(k) of Title 19, Customs Duties, extends such date, see section 7004 of Pub. L. 100-418, set out as an Effective and Termination Dates of 1988 Amendment note under section 10a of this title.

EFFECTIVE DATE

Section 4 of title III of act Mar. 3, 1933, as temporarily renumbered §5 by Pub. L. 100-418, title VII, §7002(1), Aug. 23, 1988, 102 Stat. 1545, provided: “This title [enacting this section and sections 10a and 10b of this title] shall take effect on the date of its enactment [Mar. 3, 1933], but shall not apply to any contract entered into prior to such effective date.”

SEPARABILITY

Section 5 of title III of act Mar. 3, 1933, as temporarily renumbered §6 by Pub. L. 100-418, title VII, §7002(1), Aug. 23, 1988, 102 Stat. 1545, provided: “If any provision of this Act [see Tables for classification], or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application thereof to other persons or circumstances, shall not be affected thereby.”

§ 10d. Clarification of Congressional intent regarding sections 10a and 10b(a)

In order to clarify the original intent of Congress, hereafter, section 10a of this title and that part of section 10b(a) of this title preceding the words “*Provided, however,*” shall be regarded as requiring the purchase, for public use within the United States, of articles, materials, or supplies manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality, unless the head of the department or independent establishment concerned shall determine their purchase to be inconsistent with the public interest or their cost to be unreasonable.

(Oct. 29, 1949, ch. 787, title VI, §633, 63 Stat. 1024; Pub. L. 100-418, title VII, §7005(d), Aug. 23, 1988, 102 Stat. 1553.)

AMENDMENTS

1988—Pub. L. 100-418, §§7004, 7005(d), temporarily substituted “Federal agency” for “department or independent establishment”. See Termination Date of 1988 Amendment note below.

TERMINATION DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-418 to cease to be effective on Apr. 30, 1996, unless Congress, after reviewing report required by former section 2515(k) of Title 19, Customs Duties, extends such date, see section 7004 of Pub. L. 100-418, set out as an Effective and Termination Dates of 1988 Amendment note under section 10a of this title.

EX. ORD. NO. 10582. UNIFORM PROCEDURES FOR DETERMINATIONS

Ex. Ord. No. 10582, Dec. 17, 1954, 19 F.R. 8723, as amended by Ex. Ord. No. 11051, Sept. 27, 1962, 27 F.R. 9683; Ex. Ord. No. 12148, July 20, 1979, 44 F.R. 43239; Ex. Ord. No. 12608, Sept. 9, 1987, 52 F.R. 34617, provided:

SECTION 1. As used in this order, (a) the term “materials” includes articles and supplies, (b) the term “executive agency” includes executive department, inde-

pendent 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 [see Tables for classification], 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 [41 U.S.C. 252(b)], section 2(b) of the Armed Services Procurement Act of 1947, as amended [41 U.S.C. 151(b)], and section 202 of the Small Business Act of 1953 [15 U.S.C. 631]; 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 of the Federal Emergency Management Agency. In providing this advice the Director 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 differen-

tial 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.

§ 11. No contracts or purchases unless authorized or under adequate appropriation; report to the Congress

(a) No contract or purchase on behalf of the United States shall be made, unless the same is authorized by law or is under an appropriation adequate to its fulfillment, except in the Department of Defense and in the Department of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which, however, shall not exceed the necessities of the current year.

(b) The Secretary of Defense and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy shall immediately advise the Congress of the exercise of the authority granted in subsection (a) of this section, and shall report quarterly on the estimated obligations incurred pursuant to the authority granted in subsection (a) of this section.

(R.S. §3732; June 12, 1906, ch. 3078, 34 Stat. 255; Pub. L. 89-687, title VI, §612(e), Oct. 15, 1966, 80 Stat. 993; Pub. L. 98-557, §17(e), Oct. 30, 1984, 98 Stat. 2868; Pub. L. 104-106, div. D, title XLIII, §4322(b)(4), Feb. 10, 1996, 110 Stat. 677.)

CODIFICATION

R.S. §3732 derived from act Mar. 2, 1861, ch. 84, §10, 12 Stat. 220.

AMENDMENTS

1996—Subsec. (a). Pub. L. 104-106 struck out second comma after "quarters".

1984—Subsec. (a). Pub. L. 98-557, §17(e)(1)(A), substituted "except in the Department of Defense and in the Department of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy" for "except in the War and Navy Departments".

Pub. L. 98-557, §17(e)(1)(B), substituted "transportation, or medical and hospital supplies" for "or transportation", such change having been made by Act June 12, 1906, thereby requiring no further change in text. See Repeals note below.

Subsec. (b). Pub. L. 98-557, §17(e)(2), inserted provisions relating to the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy.

1966—Pub. L. 89-687 designated existing provisions as subsec. (a) and added subsec. (b).

1906—Act June 12, 1906, inserted "medical and hospital supplies".

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date and applicability of amendment by Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 251 of this title.

REPEALS

The first proviso under the heading "MEDICAL DEPARTMENT" in act June 12, 1906, ch. 3078, 34 Stat. 255,

cited as a credit to this section, was repealed by Pub. L. 98-557, §17(e)(3), Oct. 30, 1984, 98 Stat. 2868.

TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 11a. Contracts for fuel by Secretary of the Army without regard to current fiscal year

When, in the opinion of the Secretary of the Army, it is in the interest of the United States so to do, he is authorized to enter into contracts and to incur obligations for fuel in sufficient quantities to meet the requirements for one year without regard to the current fiscal year, and payments for supplies delivered under such contracts may be made from funds appropriated for the fiscal year in which the contract is made, or from funds appropriated or which may be appropriated for such supplies for the ensuing fiscal year.

(June 30, 1921, ch. 33, §1, 42 Stat. 78; July 26, 1947, ch. 343, title II, §205(a), 61 Stat. 501.)

CODIFICATION

Section was formerly classified to section 668 of Title 31 prior to the general revision and enactment of Title 31, Money and Finance, by Pub. L. 97-258, §1, Sept. 13, 1982, 96 Stat. 877.

CHANGE OF NAME

Department of War designated Department of the Army and title of Secretary of War changed to Secretary of the Army by section 205(a) of act July 26, 1947, ch. 343, title II, 61 Stat. 501. Section 205(a) of act July 26, 1947, was repealed by section 53 of act Aug. 10, 1956, ch. 1041, 70A Stat. 641. Section 1 of act Aug. 10, 1956, enacted "Title 10, Armed Forces" which in sections 3010 to 3013 continued Department of the Army under administrative supervision of Secretary of the Army.

TRANSFER OF FUNCTIONS

For transfer of certain procurement and related functions and property, and functions relating to finance and fiscal matters, insofar as they pertain to Air Force, from Secretary of the Army to Secretary of the Air Force, see Secretary of Defense Transfer Order Nos. 6, eff. Jan. 15, 1948; 25, Oct. 14, 1948; 39, May 18, 1949; and 40 [App. B(93)], July 22, 1949.

Public Buildings Administration abolished by act June 30, 1949, ch. 288, title I, §103, 63 Stat. 380, and functions transferred to General Services Administration. See text of, and Historical and Revision Notes under, section 303(b) of Title 40, Public Buildings, Property, and Works.

Public Buildings Branch of Procurement Division (Bureau of Federal Supply) of Treasury Department transferred to Public Buildings Administration within Federal Works Agency, see Reorg. Plan No. I of 1939, §§301, 303, eff. July 1, 1939, 4 F.R. 2729, 53 Stat. 1426, 1427, set out in the Appendix to Title 5, Government Organization and Employees.

Functions of procurement of supplies, services, stores, etc., exercised by any other agency transferred to Procurement Division in Treasury Department by Ex. Ord. No. 6166, §1, June 10, 1933, set out as a note under section 901 of Title 5. Name of Procurement Division changed to Bureau of Federal Supply by Treasury Department Order 73 dated Nov. 19, 1946. Bureau trans-

ferred on July 1, 1949, to General Services Administration, where it functions as Federal Supply Service, pursuant to act June 30, 1949, ch. 288, §102, 63 Stat. 380.

§ 12. No contract to exceed appropriation

No contract shall be entered into for the erection, repair, or furnishing of any public building, or for any public improvement which shall bind the Government to pay a larger sum of money than the amount in the Treasury appropriated for the specific purpose.

(R.S. §3733.)

CODIFICATION

R.S. §3733 derived from act July 25, 1868, ch. 233, §3, 15 Stat. 177.

§ 13. Contracts limited to one year

Except as otherwise provided, it shall not be lawful for any of the executive departments to make contracts for stationery or other supplies for a longer term than one year from the time the contract is made.

(R.S. §3735.)

CODIFICATION

R.S. §3735 derived from Res. Jan. 31, 1868, No. 8, 15 Stat. 246; Res. Mar. 24, 1874, No. 6, 18 Stat. 286.

"Except as otherwise provided," was first inserted by the Revisers of the 1934 edition of the Code.

EXEMPTION OF FUNCTIONS

Functions authorized by Foreign Assistance Act of 1961, as amended, as exempt, see Ex. Ord. No. 11223, eff. May 12, 1965, 30 F.R. 6635, set out as a note under section 2393 of Title 22, Foreign Relations and Intercourse.

SECTION INAPPLICABLE TO ARMED SERVICES AND NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Section inapplicable to procurement or sale of property or services by Armed Services and National Aeronautics and Space Administration, see section 2314 of Title 10, Armed Forces.

§ 13a. Repealed. Pub. L. 86-682, § 12(c), Sept. 2, 1960, 74 Stat. 710

Section, Joint Res. Mar. 24, 1874, No. 6, 18 Stat. 286, excepted mail bags, mail locks, and keys from provisions of section 13 of this title.

§ 14. Restriction on purchases of land

No land shall be purchased on account of the United States, except under a law authorizing such purchase.

(R.S. §3736.)

CODIFICATION

R.S. §3736 derived from act May 1, 1820, ch. 52, §7, 3 Stat. 568.

§ 15. Transfers of contracts; assignments; assignee not subject to reduction or setoff

(a) Transfer

No contract or order, or any interest therein, shall be transferred by the party to whom such contract or order is given to any other party, and any such transfer shall cause the annulment of the contract or order transferred, so far as the United States is concerned. All rights of action, however, for any breach of such contract by the

contracting parties, are reserved to the United States.

(b) Assignment

The provisions of subsection (a) of this section shall not apply in any case in which the moneys due or to become due from the United States or from any agency or department thereof, under a contract providing for payments aggregating \$1,000 or more, are assigned to a bank, trust company, or other financing institution, including any Federal lending agency, provided:

(1) That, in the case of any contract entered into after October 9, 1940, no claim shall be assigned if it arises under a contract which forbids such assignment.

(2) That, unless otherwise expressly permitted by such contract, any such assignment shall cover all amounts payable under such contract and not already paid, shall not be made to more than one party, and shall not be subject to further assignment, except that any such assignment may be made to one party as agent or trustee for two or more parties participating in such financing.

(3) That, in the event of any such assignment, the assignee thereof shall file written notice of the assignment together with a true copy of the instrument of the assignment with—

(A) the contracting officer or the head of his department or agency;

(B) the surety or sureties upon the bond or bonds, if any, in connection with such contract; and

(C) the disbursing officer, if any, designated in such contract to make payment.

(c) Validity of assignment

Notwithstanding any law to the contrary governing the validity of assignments, any assignment pursuant to this section shall constitute a valid assignment for all purposes.

(d) Assignee liability

In any case in which moneys due or to become due under any contract are or have been assigned pursuant to this section, no liability of any nature of the assignor to the United States or any department or agency thereof, whether arising from or independently of such contract, shall create or impose any liability on the part of the assignee to make restitution, refund, or repayment to the United States of any amount heretofore since July 1, 1950, or hereafter received under the assignment.

(e) Amendment of contract

Any contract of the Department of Defense, the General Services Administration, the Department of Energy, or any other department or agency of the United States designated by the President, except any such contract under which full payment has been made, may, upon a determination of need by the President, provide or be amended without consideration to provide that payments to be made to the assignee of any moneys due or to become due under such contract shall not be subject to reduction or setoff. Each such determination of need shall be published in the Federal Register.

(f) Assignor liability arising independent of contract

If a provision described in subsection (e) of this section or a provision to the same general effect has been at any time heretofore or is hereafter included or inserted in any such contract, payments to be made thereafter to an assignee of any moneys due or to become due under such contract shall not be subject to reduction or setoff for any liability of any nature of the assignor to the United States or any department or agency thereof which arises independently of such contract, or hereafter for any liability of the assignor on account of—

(1) renegotiation under any renegotiation statute or under any statutory renegotiation article in the contract;

(2) fines;

(3) penalties (which term does not include amounts which may be collected or withheld from the assignor in accordance with or for failure to comply with the terms of the contract); or

(4) taxes, social security contributions, or the withholding or non withholding of taxes or social security contributions, whether arising from or independently of such contract.

(g) Accrued rights and obligations

Except as herein otherwise provided, nothing in this section shall be deemed to affect or impair rights or obligations heretofore accrued.

(R.S. §3737; Oct. 9, 1940, ch. 779, §1, 54 Stat. 1029; May 15, 1951, ch. 75, 65 Stat. 41; Pub. L. 103-355, title II, §2451, Oct. 13, 1994, 108 Stat. 3324; Pub. L. 104-106, div. D, title XLIII, §4321(i)(9), Feb. 10, 1996, 110 Stat. 676.)

CODIFICATION

R.S. §3737 derived from act July 17, 1862, ch. 200, §14, 12 Stat. 596.

AMENDMENTS

1996—Subsec. (g). Pub. L. 104-106 substituted “rights or obligations” for “rights of obligations”.

1994—Pub. L. 103-355, §2451, amended section generally, revising it as follows:

Subsec. (a), designated first par. as subsec. (a) and substituted “is concerned” for “are concerned”.

Subsec. (b), designated second par. as subsec. (b) and inserted subpar. and cl. designations; substituted in introductory provisions “provisions of subsection (a) of this section” for “provisions of the preceding paragraph” and “lending agency, provided:” for “lending agency: *Provided,*”; in par. designations, “That,” for “That” and periods for semicolons at end; and struck out former par. 1 which read as follows: “That in the case of any contract entered into prior to October 9, 1940, no claim shall be assigned without the consent of the head of the department or agency concerned;”.

Subsec. (c), designated third par. as subsec. (c) and substituted “this section” for “this section,”.

Subsec. (d), designated fourth par. as subsec. (d).

Subsec. (e), designated first part of fifth par. as subsec. (e), substituted “Department of Energy” for “Atomic Energy Commission”, “may, upon a determination of need by the President, provide” for “may, in time of war or national emergency proclaimed by the President (including the national emergency proclaimed December 16, 1950) or by Act or joint resolution of the Congress and until such war or national emergency has been terminated in such manner, provide”, and “subject to reduction or set-off.” for “subject to reduction or set-off,”, and inserted “Each such deter-

mination of need shall be published in the Federal Register.”

Subsec. (f), designated last part of fifth par. as subsec. (f), realigned margins of pars. (1) to (4) and substituted semicolons for commas at end, and substituted, in introductory provisions, “If a provision described in subsection (e) of this section or a provision to the same general effect has been at any time heretofore or is hereafter included or inserted in any such contract, payments to be made thereafter to an assignee of any moneys due or to become due under such contract shall not be subject to reduction or setoff for any liability of any nature of the assignor to the United States or any department or agency thereof which arises independently of such contract, or hereafter for any liability of the assignor on account of—” for “and if such provision or one to the same general effect has been at any time heretofore or is hereafter included or inserted in any such contract, payments to be made thereafter to an assignee of any moneys due or to become due under such contract, whether during or after such war or emergency, shall not be subject to reduction or set-off for any liability of any nature of the assignor to the United States or any department or agency thereof which arises independently of such contract, or hereafter for any liability of the assignor on account of” and, in par. (4), “non withholding” for “nonwithholding”.

Subsec. (g), designated sixth par. as subsec. (g). 1951—Act May 15, 1951, made it clear that a bank or other financing institution taking an assignment of claims pursuant to this section would not be subject to later recovery by the Government of amounts previously paid to the bank by the assignee except in cases of fraud.

1940—Act Oct. 9, 1940, inserted second and third pars.

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date and applicability of amendment by Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 251 of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

For effective date and applicability of amendment by Pub. L. 103-355, see section 10001 of Pub. L. 103-355, set out as a note under section 251 of this title.

DELEGATION OF AUTHORITY

Memorandum of President of the United States, Oct. 3, 1995, 60 F.R. 52289, provided:

Memorandum for the Heads of Executive Departments and Agencies

Section 2451 of the Federal Acquisition Streamlining Act of 1994, Public Law 103-355 ([amending] 41 U.S.C. 15) (“Act”), provides, in part, that “[a]ny contract of the Department of Defense, the General Services Administration, the Department of Energy or any other department or agency of the United States designated by the President, except [contracts where] . . . full payment has been made, may, upon a determination of need by the President, provide or be amended without consideration to provide that payments to be made to the assignee of any moneys due or to become due under [the] contract shall not be subject to reduction or set-off.”

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3, United States Code, I hereby designate all other departments and agencies of the United States as subject to this provision. Furthermore, I hereby delegate to the Secretaries of Defense and Energy, the Administrator of General Services, and the heads of all other departments and agencies, the authority under section 2451 of the Act to make determinations of need for their respective agency’s contracts, subject to such further guidance as issued by the Office of Federal Procurement Policy.

The authority delegated by this memorandum may be further delegated within the departments and agencies.

This memorandum shall be published in the Federal Register.

WILLIAM J. CLINTON.

NON-APPLICABILITY OF NATIONAL EMERGENCIES ACT

The provisions of the National Emergencies Act (Pub. L. 94-412, Sept. 14, 1976, 90 Stat. 1255) not applicable to the powers and authorities conferred by this section and actions taken hereunder, see section 1651 of Title 50, War and National Defense.

MONEYS DUE UNDER LETTERS OF COMMITMENT ISSUED IN CONNECTION WITH DISPOSITION OF SURPLUS AGRICULTURAL COMMODITIES

Moneys due under letters of commitment issued against funds or guaranties of funds supplied by Commodity Credit Corporation in connection with disposition of surplus agricultural commodities to foreign countries, as assignable under the Assignment of Claims Act of 1940, which constitutes this section and former section 203 of Title 31, Money and Finance, see section 1702 of Title 7, Agriculture.

§ 16. Repealed. Oct. 21, 1941, ch. 452, 55 Stat. 743

Section, R.S. §3744; acts June 15, 1917, ch. 29, 40 Stat. 198; Feb. 4, 1929, ch. 146, 45 Stat. 1147, related to requirement that contracts made by Secretaries of War, Navy, and Interior be in writing, and that copies thereof be filed in returns office of Department of the Interior.

§§ 16a to 16d. Omitted

CODIFICATION

Section 16a, act Jan. 12, 1927, ch. 27, 44 Stat. 936, authorized purchases by Department of the Interior without compliance with section 16 of this title.

Section 16b, acts Apr. 17, 1936, ch. 233, 49 Stat. 1226; May 18, 1937, ch. 223, 50 Stat. 181; May 17, 1938, ch. 236, 52 Stat. 393; June 16, 1939, ch. 208, 53 Stat. 834; June 18, 1940, ch. 396, 54 Stat. 474, authorized purchases by Botanic Garden without compliance with section 16 of this title.

Section 16c, act May 13, 1926, ch. 294, 44 Stat. 547, authorized purchases by Architect of Capitol without compliance with section 16 of this title.

Section 16d, act Aug. 4, 1939, ch. 418, §13, 53 Stat. 1197, authorized purchases by Bureau of Reclamation without compliance with section 16 of this title.

§§ 17 to 19. Repealed. Oct. 21, 1941, ch. 452, 55 Stat. 743

Section 17, R.S. §3745, provided that an affidavit be affixed to the return of contract required by section 16 of this title.

Section 18, R.S. §3746, provided punishment for failure to make returns of contracts as required by sections 16 and 17 of this title.

Section 19, R.S. §3747, imposed duty on Secretaries of War, Navy, and Interior to furnish officers with letters of instruction relating to their duties under sections 17 and 18, contract forms, and affidavits, to insure uniformity.

§ 20. Repealed. Pub. L. 103-355, title II, §2452, Oct. 13, 1994, 108 Stat. 3326

Section, R.S. §3743; Feb. 27, 1877, ch. 69, 19 Stat. 249; July 31, 1894, ch. 174, §18, 28 Stat. 210; June 10, 1921, ch. 18, title III, §304, 42 Stat. 24, provided for deposit of all contracts which required advance money or settlement of public accounts in the General Accounting Office.

EFFECTIVE DATE OF REPEAL

For effective date and applicability of repeal, see section 10001 of Pub. L. 103-355, set out as an Effective Date of 1994 Amendment note under section 251 of this title.

§§ 20a, 20b. Repealed. Pub. L. 104-106, div. D, title XLIII, § 4321(i)(10), (11), Feb. 10, 1996, 110 Stat. 676

Section 20a, act June 15, 1940, ch. 367, 54 Stat. 398, provided exemption from section 20 of this title for contracts, etc., concerning national-forest lands.

Section 20b, act Nov. 28, 1943, ch. 328, 57 Stat. 592, provided exemption from section 20 of this title for contracts, etc., concerning use of lands or water under jurisdiction of Department of the Interior.

EFFECTIVE DATE OF REPEAL

For effective date and applicability of repeal, see section 4401 of Pub. L. 104-106, set out as an Effective Date of 1996 Amendment note under section 251 of this title.

§ 21. Repealed. Pub. L. 97-258, § 5(b), Sept. 13, 1982, 96 Stat. 1069

Section, acts July 31, 1894, ch. 174, § 22, 28 Stat. 210; June 10, 1921, ch. 18, §§ 304, 310, 42 Stat. 24, 25, provided that the heads of the several executive departments and the proper officers of other Government establishments, not within the jurisdiction of any executive department, make appropriate rules and regulations to secure a proper administrative examination of all accounts sent to them before their transmission to the General Accounting Office, and for the execution of other requirements of section 20 of this title, insofar as the same related to the several departments or establishments. See section 3521(a) of Title 31, Money and Finance.

§ 22. Interest of Member of Congress

No Member of Congress shall be admitted to any share or part of any contract or agreement made, entered into, or accepted by or on behalf of the United States, or to any benefit to arise thereupon. The provisions of this section shall not apply to any contracts or agreements heretofore or hereafter entered into under the Agricultural Adjustment Act [7 U.S.C. 601 et seq.], the Federal Farm Loan Act, the Emergency Farm Mortgage Act of 1933, the Federal Farm Mortgage Corporation Act, the Farm Credit Act of 1933, and the Home Owners' Loan Act of 1933 [12 U.S.C. 1461 et seq.], and shall not apply to contracts or agreements of a kind which the Secretary of Agriculture may enter into with farmers: *Provided*, That such exemption shall be made a matter of public record.

(R.S. § 3741; Feb. 27, 1877, ch. 69, § 1, 19 Stat. 249; Jan. 25, 1934, ch. 5, 48 Stat. 337; June 27, 1934, ch. 847, title V, § 510, 48 Stat. 1264; Aug. 26, 1937, ch. 821, 50 Stat. 838; Pub. L. 103-355, title VI, § 6004, Oct. 13, 1994, 108 Stat. 3364; Pub. L. 104-106, div. D, title XLIII, § 4321(i)(12), Feb. 10, 1996, 110 Stat. 676.)

REFERENCES IN TEXT

The Agricultural Adjustment Act, referred to in text, is title I of act May 12, 1933, ch. 25, 48 Stat. 31, as amended, which is classified generally to chapter 26 (§ 601 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 601 of Title 7 and Tables.

The Federal Farm Loan Act, referred to in text, is act July 17, 1916, ch. 245, 39 Stat. 360, as amended, and was classified principally to sections 641 et seq. of Title 12, Banks and Banking. The Federal Farm Loan Act, as amended, was repealed by section 5.26(a) (which was renumbered as section 5.40(a) by Pub. L. 99-205, § 205(a)(2), Dec. 23, 1985, 99 Stat. 1703) of the Farm Credit Act of 1971, Pub. L. 92-181, Dec. 10, 1971, 85 Stat. 624. Section

5.26(a) (now 5.40(a)) of the Farm Credit Act of 1971 also provided that all references in other legislation to the Acts repealed thereby "shall be deemed to refer to comparable provisions of this Act". For further details, see notes set out under section 2001 of Title 12. For complete classification of the Federal Farm Loan Act to the Code prior to such repeal, see Tables.

The Emergency Farm Mortgage Act of 1933, referred to in text, is title II of act May 12, 1933, ch. 25, 48 Stat. 31. Such title II was substantially repealed by act June 30, 1947, ch. 166, title II, § 206(c), 61 Stat. 208; act Aug. 6, 1953, ch. 335, § 19, 67 Stat. 400; act Oct. 4, 1961, Pub. L. 87-353, § 3(a), (b), (w), 75 Stat. 773, 774; act Dec. 10, 1971, Pub. L. 92-181, title V, § 5.26(a), 85 Stat. 624. For complete classification of this Act to the Code, see Tables.

The Federal Farm Mortgage Corporation Act, referred to in text, is act Jan. 31, 1934, ch. 7, 48 Stat. 344, which enacted section 992a of Title 12, Banks and Banking, and amended sections 347, 355, 723, 772, 781, 897, 1016, 1020, 1020a, 1020b, 1020c, 1020d, 1020h, 1061, 1131i, 1138b and 1138d of Title 12, has been substantially repealed. For complete classification of this Act to the Code, see Tables.

The Farm Credit Act of 1933, referred to in text, is act June 16, 1933, ch. 98, 48 Stat. 2, as amended, and was classified principally to subchapter IV (§ 1131 et seq.) of chapter 7 of Title 12. The Farm Credit Act of 1933, as amended, was repealed by section 5.26(a) of the Farm Credit Act of 1971, Pub. L. 92-181, Dec. 10, 1971, 85 Stat. 624. Section 5.26(a) of the Farm Credit Act of 1971 also provided that all references in other legislation to the Acts repealed thereby "shall be deemed to refer to comparable provisions of this Act". For further details, see notes set out under section 2001 of Title 12. For complete classification of the Farm Credit Act of 1933 to the Code prior to such repeal, see Tables.

The Home Owners' Loan Act of 1933, referred to in text, is act June 13, 1933, ch. 64, 48 Stat. 128, as amended, now known as the Home Owners' Loan Act, which is classified generally to chapter 12 (§ 1461 et seq.) of Title 12. For complete classification of this Act to the Code, see section 1461 of Title 12 and Tables.

CODIFICATION

R.S. § 3741 derived from act Apr. 21, 1808, ch. 48, § 3, 2 Stat. 484.

First sentence of section is based on R.S. § 3741, as amended, and second sentence is based on act Jan. 25, 1934, ch. 5, as amended and as applicable to R.S. § 3741.

AMENDMENTS

1996—Pub. L. 104-106 inserted section number in original and substituted "Member" for "member".

1994—Pub. L. 103-355 amended first sentence generally. Prior to amendment, first sentence read as follows: "In every contract or agreement to be made or entered into, or accepted by or on behalf of the United States, there shall be inserted an express condition that no Member of or Delegate to Congress shall be admitted to any share or part of such contract or agreement, or to any benefit to arise thereupon."

1937—Act Aug. 26, 1937, inserted provision at end of second sentence beginning with "and shall not apply".

1934—Act June 27, 1934, inserted in second sentence "the Federal Farm Loan Act, the Emergency Farm Mortgage Act of 1933, the Federal Farm Mortgage Corporation Act, the Farm Credit Act of 1933, and the Home Owners' Loan Act of 1933".

Act Jan. 25, 1934, added second sentence providing that this section shall not apply to any contracts or agreements heretofore or hereafter entered into under the Agricultural Adjustment Act.

1877—Act Feb. 27, 1877, inserted "or Delegate to" after "that no Member of" in first sentence.

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date and applicability of amendment by Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 251 of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

For effective date and applicability of amendment by Pub. L. 103-355, see section 10001 of Pub. L. 103-355, set out as a note under section 251 of this title.

§ 23. Orders or contracts for material placed with Government-owned establishments deemed obligations

All orders or contracts for work or material or for the manufacture of material pertaining to approved projects heretofore or hereafter placed with Government-owned establishments shall be considered as obligations in the same manner as provided for similar orders or contracts placed with commercial manufacturers or private contractors, and the appropriations shall remain available for the payment of the obligations so created as in the case of contracts or orders with commercial manufacturers or private contractors.

(June 5, 1920, ch. 240, 41 Stat. 975; July 1, 1922, ch. 259, 42 Stat. 812; June 2, 1937, ch. 293, 50 Stat. 245.)

CODIFICATION

Section is a composite of acts June 5, 1920, ch. 240, and July 1, 1922, ch. 259. The words "for work or material" after "All orders or contracts", "or contracts" after "similar orders", and "or private contractors" after "commercial manufacturers" in two places are based on act July 1, 1922.

AMENDMENTS

1937—Act June 2, 1937, continued this section in effect.

§ 24. Contracts for transportation of moneys, bullion, coin, and securities

Whenever it is practicable contracts for the transportation of moneys, bullion, coin, notes, bonds, and other securities of the United States, and paper shall be let to the lowest responsible bidder therefor, after notice to all parties having means of transportation.

(July 7, 1884, ch. 332, 23 Stat. 204.)

CODIFICATION

Section is from Sundry Civil Appropriation Act July 7, 1884, fiscal year 1885.

§ 24a. Omitted

CODIFICATION

Section, acts June 16, 1933, ch. 101, § 5, 48 Stat. 305; Apr. 24, 1935, ch. 78, 49 Stat. 161; Aug. 29, 1935, ch. 816, 49 Stat. 991, provided for cancellation on or before March 31, 1936, of contracts for transportation entered into prior to June 16, 1933.

§ 25. Repealed. Feb. 19, 1948, ch. 65, § 11(a), 62 Stat. 25

Section, R.S. § 3729, related to contracts for bunting. See section 2301 et seq. of Title 10, Armed Forces.

§ 26. Repealed. June 30, 1949, ch. 288, title VI, § 602(a)(26), formerly title V, § 502(a)(26), 63 Stat. 401; renumbered Sept. 5, 1950, ch. 849, § 6(a), (b), 64 Stat. 583

Section, acts Mar. 4, 1915, ch. 147, § 5, 38 Stat. 1161; May 29, 1928, ch. 901, § 1(5), 45 Stat. 986, related to exchange of typewriters and adding machines in part payment for new machines.

EFFECTIVE DATE OF REPEAL

Repeal effective July 1, 1949, see section 605 of act June 30, 1949.

§ 27. Repealed. Oct. 31, 1951, ch. 654, § 1(109), 65 Stat. 705

Section, act June 5, 1920, ch. 235, § 7, 41 Stat. 947, related to disposition of typewriting machines by Government departments and establishments.

§§ 28 to 34. Omitted

CODIFICATION

Section 28, act June 16, 1934, ch. 553, § 1, 48 Stat. 974, related to adjustment and settlement of claims by persons who entered into contracts with the United States prior to Aug. 10, 1933 and claim loss due to compliance with codes of fair competition.

Section 29, act June 16, 1934, ch. 553, § 2, 48 Stat. 975, related to amount allowed for settlement.

Section 30, act June 16, 1934, ch. 553, § 3, 48 Stat. 975, related to limitation on the amount of profits.

Section 31, act June 16, 1934, ch. 553, § 4, 48 Stat. 975, related to time for presentment of claims.

Section 32, act June 16, 1934, ch. 553, § 5, 48 Stat. 975, authorized appropriations for settlement of claims.

Section 33, act June 16, 1934, ch. 553, § 6, 48 Stat. 975, related to procedure for settlement of claims and reservation of right to prosecute for fraud and criminal conduct.

Section 34, act Aug. 29, 1935, ch. 815, 49 Stat. 990, provided that bids made subject to codes of fair competition prior to Aug. 29, 1935 should not be rejected where bidder agreed to be subject to Acts of Congress requiring observance of minimum wages, maximum hours, or limitations as to age of employees in performance of contracts, with Federal agencies.

§ 35. Contracts for materials, etc., exceeding \$10,000; representations and stipulations

In any contract made and entered into by any executive department, independent establishment, or other agency or instrumentality of the United States, or by the District of Columbia, or by any corporation all the stock of which is beneficially owned by the United States (all the foregoing being hereinafter designated as agencies of the United States), for the manufacture or furnishing of materials, supplies, articles, and equipment in any amount exceeding \$10,000, there shall be included the following representations and stipulations:

(a) That all persons employed by the contractor in the manufacture or furnishing of the materials, supplies, articles, or equipment used in the performance of the contract will be paid, without subsequent deduction or rebate on any account, not less than the minimum wages as determined by the Secretary of Labor to be the prevailing minimum wages for persons employed on similar work or in the particular or similar industries or groups of industries currently operating in the locality in which the materials, supplies, articles, or equipment are to be manufactured or furnished under said contract;

(b) That no person employed by the contractor in the manufacture or furnishing of the materials, supplies, articles, or equipment used in the performance of the contract shall be permitted to work in excess of forty hours in any one week: *Provided*, That the provisions of this subsection shall not apply to any employer who shall have entered into an agreement with his

employees pursuant to the provisions of paragraphs (1) or (2) of subsection (b) of section 207 of title 29;

(c) That no male person under sixteen years of age and no female person under eighteen years of age and no convict labor will be employed by the contractor in the manufacture or production or furnishing of any of the materials, supplies, articles, or equipment included in such contract, except that this section, or any other law or Executive order containing similar prohibitions against purchase of goods by the Federal Government, shall not apply to convict labor which satisfies the conditions of section 1761(c) of title 18; and

(d) That no part of such contract will be performed nor will any of the materials, supplies, articles, or equipment to be manufactured or furnished under said contract be manufactured or fabricated in any plants, factories, buildings, or surroundings or under working conditions which are unsanitary or hazardous or dangerous to the health and safety of employees engaged in the performance of said contract. Compliance with the safety, sanitary, and factory inspection laws of the State in which the work or part thereof is to be performed shall be prima-facie evidence of compliance with this subsection.

(June 30, 1936, ch. 881, § 1, 49 Stat. 2036; May 13, 1942, ch. 306, 56 Stat. 277; Pub. L. 90-351, title I, § 819(b), formerly § 827(b), as added Pub. L. 96-157, § 2, Dec. 27, 1979, 93 Stat. 1215; renumbered Pub. L. 98-473, title II, § 609B(f), Oct. 12, 1984, 98 Stat. 2093; Pub. L. 99-145, title XII, § 1241(b), Nov. 8, 1985, 99 Stat. 734; Pub. L. 103-355, title VII, § 7201(1), Oct. 13, 1994, 108 Stat. 3378.)

AMENDMENTS

1994—Subsecs. (a) to (e). Pub. L. 103-355 redesignated subsecs. (b) to (e) as (a) to (d), respectively, and struck out former subsec. (a) which read as follows: "That the contractor is the manufacturer of or a regular dealer in the materials, supplies, articles, or equipment to be manufactured or used in the performance of the contract;"

1985—Subsec. (c). Pub. L. 99-145 struck out "eight hours in any one day or in excess of" before "forty hours".

1979—Subsec. (d). Pub. L. 90-351, § 827(b), as added by Pub. L. 96-157, inserted provisions relating to convict labor which satisfies the conditions of section 1761(c) of title 18.

1942—Subsec. (c). Act May 13, 1942, inserted proviso.

EFFECTIVE DATE OF 1994 AMENDMENT

For effective date and applicability of amendment by Pub. L. 103-355, see section 10001 of Pub. L. 103-355, set out as a note under section 251 of this title.

EFFECTIVE DATE OF 1985 AMENDMENT

Section 1241(c) of Pub. L. 99-145 provided that: "The amendments made by this section [amending this section and section 328 of former Title 40, Public Buildings, Property, and Works] shall take effect on January 1, 1986."

SHORT TITLE

Section 14, formerly section 12, of act June 30, 1936, as added by Pub. L. 103-355, title X, § 10005(f)(5), Oct. 13, 1994, 108 Stat. 3409, and renumbered by Pub. L. 104-106, div. D, title XLIII, § 4321(f)(1)(B), Feb. 10, 1996, 110 Stat. 675, provided that: "This Act [enacting this section and sections 36 to 45 of this title] may be cited as the 'Walsh-Healey Act'."

EXEMPTIONS TO FEDERAL RESTRICTIONS ON MARKETABILITY OF PRISON MADE GOODS

Provisions of this section creating exemptions to Federal regulations on marketability of prison made goods are not applicable unless representatives of local union central bodies or similar labor union organizations have been consulted prior to the initiation of any project qualifying of any exemption created by this section and such paid inmate employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services, see section 819(c) of Pub. L. 90-351, set out as a note under section 1761 of Title 18, Crimes and Criminal Procedure.

EXCEPTIONS AND EXEMPTIONS

7 F.R. 9399 (amending Exemption Order Apr. 21, 1942, 7 F.R. 3003), which exempted female persons under 18 years of age from the provisions of subsec. (d) of this section, was superseded by 10 F.R. 10438.

CONTRACTING AUTHORITY OF GOVERNMENT AGENCIES IN CONNECTION WITH NATIONAL DEFENSE FUNCTIONS

Provisions of sections 35 to 45 of this title as applicable to Government agencies exercising certain contracting authority in connection with national-defense functions, see section 13 of Ex. Ord. No. 10789, set out as a note under section 1431 of Title 50, War and National Defense.

EX. ORD. NO. 13126. PROHIBITION OF ACQUISITION OF PRODUCTS PRODUCED BY FORCED OR INDENTURED CHILD LABOR

Ex. Ord. No. 13126, June 12, 1999, 64 F.R. 32383, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to continue the executive branch's commitment to fighting abusive child labor practices, it is hereby ordered as follows:

SECTION. 1. *Policy*. It shall be the policy of the United States Government, consistent with the Tariff Act of 1930, 19 U.S.C. 1307, the Fair Labor Standards Act [of 1938], 29 U.S.C. 201 *et. seq.*, and the Walsh-Healey Public Contracts Act [Walsh-Healey Act], 41 U.S.C. 35 *et seq.*, that executive agencies shall take appropriate actions to enforce the laws prohibiting the manufacture or importation of goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part by forced or indentured child labor.

SEC. 2. *Publication of List*. Within 120 days after the date of this order, the Department of Labor, in consultation and cooperation with the Department of the Treasury and the Department of State, shall publish in the Federal Register a list of products, identified by their country of origin, that those Departments have a reasonable basis to believe might have been mined, produced, or manufactured by forced or indentured child labor. The Department of Labor may conduct hearings to assist in the identification of those products.

SEC. 3. *Procurement Regulations*. Within 120 days after the date of this order, the Federal Acquisition Regulatory Council shall issue proposed rules to implement the following:

(a) *Required Solicitation Provisions*. Each solicitation of offers for a contract for the procurement of a product included on the list published under section 2 of this order shall include the following provisions:

(1) A provision that requires the contractor to certify to the contracting officer that the contractor or, in the case of an incorporated contractor, a responsible official of the contractor has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any product furnished under the contract and that, on the basis of those efforts, the contractor is unaware of any such use of child labor; and

(2) A provision that obligates the contractor to cooperate fully in providing reasonable access to the con-

tractor's records, documents, persons, or premises if reasonably requested by authorized officials of the contracting agency, the Department of the Treasury, or the Department of Justice, for the purpose of determining whether forced or indentured child labor was used to mine, produce, or manufacture any product furnished under the contract.

(b) *Investigations.* Whenever a contracting officer of an executive agency has reason to believe that forced or indentured child labor was used to mine, produce, or manufacture a product furnished pursuant to a contract subject to the requirements of subsection 3(a) of this order, the head of the executive agency shall refer the matter for investigation to the Inspector General of the executive agency and, as the head of the executive agency or the Inspector General determines appropriate, to the Attorney General and the Secretary of the Treasury.

(c) *Remedies.*

(1) The head of an executive agency may impose remedies as provided in this subsection in the case of a contractor under a contract of the executive agency if the head of the executive agency finds that the contractor:

(i) Has furnished under the contract products that have been mined, produced, or manufactured by forced or indentured child labor or uses forced or indentured child labor in the mining, production, or manufacturing operations of the contractor;

(ii) Has submitted a false certification under subsection 3(a)(1) of this order; or

(iii) Has failed to cooperate in accordance with the obligation imposed pursuant to subsection 3(a)(2) of this order.

(2) The head of an executive agency, in his or her sole discretion, may terminate a contract on the basis of any finding described in subsection 3(c)(1) of this order for any contract entered into after the date the regulation called for in section 3 of this order is published in final.

(3) The head of an executive agency may debar or suspend a contractor from eligibility for Federal contracts on the basis of a finding that the contractor has engaged in an act described in subsection 3(c)(1) of this order. The provision for debarment may not exceed 3 years.

(4) The Administrator of General Services shall include on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs (maintained by the Administrator as described in the Federal Acquisition Regulation) each party that is debarred, suspended, proposed for debarment or suspension, or declared ineligible by the head of an agency on the basis that the person has engaged in an act described in subsection 3(c)(1) of this order.

(5) This section shall not be construed to limit the use of other remedies available to the head of an executive agency or any other official of the Federal Government on the basis of a finding described in subsection 3(c)(1) of this order.

SEC. 4. Report. Within 2 years after implementation of any final rule under this order, the Administrator of General Services, with the assistance of other executive agencies, shall submit to the Office of Management and Budget a report on the actions taken pursuant to this order.

SEC. 5. Scope. (a) Any proposed rules issued pursuant to section 3 of this order shall apply only to acquisitions for a total amount in excess of the micro-purchase threshold as defined in section 32(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 428(f)).

(b) This order does not apply to a contract that is for the procurement of any product, or any article, material, or supply contained in a product that is mined, produced, or manufactured in any foreign country if:

(1) the foreign country is a party to the Agreement on Government Procurement annexed to the WTO Agreement or a party to the North American Free Trade Agreement ("NAFTA"); and

(2) the contract is of a value that is equal to or greater than the United States threshold specified in

the Agreement on Government Procurement annexed to the WTO Agreement or NAFTA, whichever is applicable.

SEC. 6. Definitions. (a) "Executive agency" and "agency" have the meaning given to "executive agency" in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

(b) "WTO Agreement" means the Agreement Establishing the World Trade Organization, entered into on April 15, 1994.

(c) "Forced or indentured child labor" means all work or service (1) exacted from any person under the age of 18 under the menace of any penalty for its non-performance and for which the worker does not offer himself voluntarily; or (2) performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

SEC. 7. Judicial Review. This order is intended only to improve the internal management of the executive branch and does not create any rights or benefits, substantive or procedural, enforceable by law by a party against the United States, its agencies, its officers, or any other person.

WILLIAM J. CLINTON.

§ 36. Liability for contract breach; cancellation; completion by Government agency; employee's wages

Any breach or violation of any of the representations and stipulations in any contract for the purposes set forth in section 35 of this title shall render the party responsible therefor liable to the United States of America for liquidated damages, in addition to damages for any other breach of such contract, the sum of \$10 per day for each male person under sixteen years of age or each female person under eighteen years of age, or each convict laborer knowingly employed in the performance of such contract, and a sum equal to the amount of any deductions, rebates, refunds, or underpayment of wages due to any employee engaged in the performance of such contract; and, in addition, the agency of the United States entering into such contract shall have the right to cancel same and to make open-market purchases or enter into other contracts for the completion of the original contract, charging any additional cost to the original contractor. Any sums of money due to the United States of America by reason of any violation of any of the representations and stipulations of said contract set forth in section 35 of this title may be withheld from any amounts due on any such contracts or may be recovered in suits brought in the name of the United States of America by the Attorney General thereof. All sums withheld or recovered as deductions, rebates, refunds, or underpayments of wages shall be held in a special deposit account and shall be paid, on order of the Secretary of Labor, directly to the employees who have been paid less than minimum rates of pay as set forth in such contracts and on whose account such sums were withheld or recovered: *Provided*, That no claims by employees for such payments shall be entertained unless made within one year from the date of actual notice to the contractor of the withholding or recovery of such sums by the United States of America.

(June 30, 1936, ch. 881, § 2, 49 Stat. 2037.)

§ 37. Distribution of list of persons breaching contract; future contracts prohibited

The Comptroller General is authorized and directed to distribute a list to all agencies of the United States containing the names of persons or firms found by the Secretary of Labor to have breached any of the agreements or representations required by sections 35 to 45 of this title. Unless the Secretary of Labor otherwise recommends no contracts shall be awarded to such persons or firms or to any firm, corporation, partnership, or association in which such persons or firms have a controlling interest until three years have elapsed from the date the Secretary of Labor determines such breach to have occurred.

(June 30, 1936, ch. 881, § 3, 49 Stat. 2037.)

§ 38. Administration of Walsh-Healey provisions; officers and employees; appointment; investigations; rules and regulations

The Secretary of Labor is authorized and directed to administer the provisions of sections 35 to 45 of this title and to utilize such Federal officers and employees and, with the consent of the State, such State and local officers and employees as he may find necessary to assist in the administration of said sections and to prescribe rules and regulations with respect thereto. The Secretary shall appoint, subject to chapter 51 and subchapter III of chapter 53 of title 5, an administrative officer, and such attorneys and experts, and other employees with regard to existing laws applicable to the employment and compensation of officers and employees of the United States, as he may from time to time find necessary for the administration of sections 35 to 45 of this title. The Secretary of Labor or his authorized representatives shall have power to make investigations and findings as provided in sections 35 to 45 of this title, and prosecute any inquiry necessary to his functions in any part of the United States. The Secretary of Labor shall have authority from time to time to make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of sections 35 to 45 of this title.

(June 30, 1936, ch. 881, § 4, 49 Stat. 2038; Oct. 28, 1949, ch. 782, title XI, § 1106(a), 63 Stat. 972.)

CODIFICATION

Provisions of second sentence of this section that authorized the Secretary to appoint an administrative officer and such attorneys and experts "without regard to the provisions of the civil service laws" were omitted as obsolete. Such appointments are subject to the civil service laws unless specifically excepted by such laws or by laws enacted subsequent to Executive Order 8743, Apr. 23, 1941, issued by the President pursuant to the Act of Nov. 26, 1940, ch. 919, title I, § 1, 54 Stat. 1211, which covered most excepted positions into the classified (competitive) civil service. The Order is set out as a note under section 3301 of Title 5, Government Organization and Employees.

"Chapter 51 and subchapter III of chapter 53 of title 5" substituted in text for "the Classification Act of 1949, as amended" on authority of Pub. L. 89-554, § 7(b), Sept. 6, 1966, 80 Stat. 631, the first section of which enacted Title 5.

AMENDMENTS

1949—Act Oct. 28, 1949, substituted "Classification Act of 1949" for "Classification Act of 1923".

REPEALS

Act Oct. 28, 1949, ch. 782, cited as a credit to this section, was repealed (subject to a savings clause) by Pub. L. 89-554, Sept. 6, 1966, § 8, 80 Stat. 632, 655.

TRANSFER OF FUNCTIONS

For transfer of functions of all other officers, employees, and agencies of Department of Labor, with certain exceptions, to Secretary of Labor, with power to delegate, see Reorg. Plan No. 6 of 1950, §§ 1, 2, eff. May 24, 1950, 15 F.R. 3174, 64 Stat. 1263, set out in the Appendix to Title 5, Government Organization and Employees.

§ 39. Hearings on Walsh-Healey provisions by Secretary of Labor; witness fees; failure to obey order; punishment

Upon his own motion or on application of any person affected by any ruling of any agency of the United States in relation to any proposal or contract involving any of the provisions of sections 35 to 45 of this title, and on complaint of a breach or violation of any representation or stipulation as provided in said sections, the Secretary of Labor, or an impartial representative designated by him, shall have the power to hold hearings and to issue orders requiring the attendance and testimony of witnesses and the production of evidence under oath. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. In case of contumacy, failure, or refusal of any person to obey such an order, any District Court of the United States or of any Territory or possession within the jurisdiction of which the inquiry is carried on, or within the jurisdiction of which said person who is guilty of contumacy, failure, or refusal is found, or resides or transacts business, upon the application by the Secretary of Labor or representative designated by him, shall have jurisdiction to issue to such person an order requiring such person to appear before him or representative designated by him, to produce evidence if, as, and when so ordered, and to give testimony relating to the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof; and shall make findings of fact after notice and hearing, which findings shall be conclusive upon all agencies of the United States, and if supported by the preponderance of the evidence, shall be conclusive in any court of the United States; and the Secretary of Labor or authorized representative shall have the power, and is authorized, to make such decisions, based upon findings of fact, as are deemed to be necessary to enforce the provisions of sections 35 to 45 of this title.

(June 30, 1936, ch. 881, § 5, 49 Stat. 2038; June 25, 1948, ch. 646, § 32(b), 62 Stat. 991; May 24, 1949, ch. 139, § 127, 63 Stat. 107.)

CODIFICATION

As originally enacted, the words "or the district court of the United States for the District of Columbia," were set out following "Territory or possession". Act June 25, 1948, as amended by act May 24, 1949, substituted "United States District Court for the District of Columbia" for "district court of the United States for the District of Columbia". The words "United States District Court for the District of Columbia" have been deleted entirely as superfluous in view of

section 132(a) of Title 28, Judiciary and Judicial Procedure, which states that “There shall be in each judicial district a district court which shall be a court of record known as the United States District Court for the district”, and section 88 of title 28 which states that “the District of Columbia constitutes one judicial district”.

§ 40. Exceptions from Walsh-Healey provisions; modification of contracts; variations; overtime; suspension of representations and stipulations

Upon a written finding by the head of the contracting agency or department that the inclusion in the proposal or contract of the representations or stipulations set forth in section 35 of this title will seriously impair the conduct of Government business, the Secretary of Labor shall make exceptions in specific cases or otherwise when justice or public interest will be served thereby. Upon the joint recommendation of the contracting agency and the contractor, the Secretary of Labor may modify the terms of an existing contract respecting minimum rates of pay and maximum hours of labor as he may find necessary and proper in the public interest or to prevent injustice and undue hardship. The Secretary of Labor may provide reasonable limitations and may make rules and regulations allowing reasonable variations, tolerances, and exemptions to and from any or all provisions of sections 35 to 45 of this title respecting minimum rates of pay and maximum hours of labor or the extent of the application of said sections to contractors, as hereinbefore described. Whenever the Secretary of Labor shall permit an increase in the maximum hours of labor stipulated in the contract, he shall set a rate of pay for any overtime, which rate shall be not less than one and one-half times the basic hourly rate received by any employee affected: *Provided*, That whenever in his judgment such course is in the public interest, the President is authorized to suspend any or all of the representations and stipulations contained in section 35 of this title.

(June 30, 1936, ch. 881, § 6, 49 Stat. 2038; June 28, 1940, ch. 440, title I, § 13, 54 Stat. 681.)

AMENDMENTS

1940—Act June 28, 1940, inserted proviso.

§ 41. “Person” defined in Walsh-Healey provisions

Whenever used in sections 35 to 45 of this title, the word “person” includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in cases under title 11, or receivers.

(June 30, 1936, ch. 881, § 7, 49 Stat. 2039; Pub. L. 95-598, title III, § 326, Nov. 6, 1978, 92 Stat. 2679.)

AMENDMENTS

1978—Pub. L. 95-598 substituted “trustees in cases under title 11” for “trustees in bankruptcy”.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-598 effective Oct. 1, 1979, see section 402(a) of Pub. L. 95-598, set out as an Effective Date note preceding section 101 of Title 11, Bankruptcy.

§ 42. Effect of Walsh-Healey provisions on other laws

The provisions of sections 35 to 45 of this title shall not be construed to modify or amend Title

III of the act entitled “An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes”, approved May 3, 1933 (commonly known as the Buy American Act) [41 U.S.C. 10a et seq.], nor shall the provisions of sections 35 to 45 of this title be construed to modify or amend sections 3141-3144, 3146, and 3147 of title 40, nor the labor provisions of Title II of the National Industrial Recovery Act, approved June 16, 1933, as extended, or of section 7 of the Emergency Relief Appropriation Act, approved April 8, 1935; nor shall the provisions of sections 35 to 45 of this title be construed to modify or amend chapter 307 and section 4162¹ of title 18.

(June 30, 1936, ch. 881, § 8, 49 Stat. 2039.)

REFERENCES IN TEXT

The Buy American Act, referred to in text, is title III of act Mar. 3, 1933, ch. 212, 47 Stat. 1520, as amended, which is classified generally to sections 10a, 10b, and 10c of this title. For complete classification of this Act to the Code, see Short Title note set out under section 10a of this title and Tables.

The National Industrial Recovery Act, referred to in text, is act June 16, 1933, ch. 90, 48 Stat. 195. Title II of the National Industrial Recovery Act was classified principally to subchapter I (§ 401 et seq.) of chapter 8 of former Title 40, Public Buildings, Property, and Works, and was terminated June 30, 1943, by act June 27, 1942, ch. 450, § 1, 56 Stat. 410. Provisions of title II of the Act which were classified to former Title 40 were repealed by section 6(b) of Pub. L. 107-217, Aug. 21, 2002, 116 Stat. 1304. For complete classification of this Act to the Code, see Tables.

Section 7 of the Emergency Relief Appropriation Act, approved April 8, 1935, referred to in text, is act Apr. 8, 1935, ch. 48, § 7, 49 Stat. 115, which is not classified to the Code.

Section 4162 of title 18, referred to in text, was repealed by Pub. L. 98-473, title II, § 218(a)(4), Oct. 12, 1984, 98 Stat. 2027.)

CODIFICATION

“Sections 3141-3144, 3146, and 3147 of title 40” substituted in text for “the Act entitled ‘An Act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors, and for other purposes’, approved March 3, 1931 (commonly known as the Bacon-Davis Act), as amended from time to time” on authority of Pub. L. 107-217, § 5(c), Aug. 21, 2002, 116 Stat. 1303, the first section of which enacted Title 40, Public Buildings, Property, and Works.

“Chapter 307 and section 4162 of title 18” substituted for “the Act entitled ‘An Act to provide for the diversification of employment of Federal prisoners, for their training and schooling in trades and occupations, and for other purposes’, approved May 27, 1930, as amended and supplemented by the Act approved June 23, 1934” on authority of act June 25, 1948, ch. 645, 62 Stat. 683, the first section of which enacted Title 18, Crimes and Criminal Procedure. Prior to the enactment of Title 18, the act of May 27, 1930, as amended, had been classified to sections 744a to 744n of Title 18.

§ 43. Walsh-Healey provisions not applicable to certain contracts

Sections 35 to 45 of this title shall not apply to purchases of such materials, supplies, articles, or equipment as may usually be bought in the

¹ See References in Text note below.

open market; nor shall they apply to perishables, including dairy, livestock and nursery products, or to agricultural or farm products processed for first sale by the original producers; nor to any contracts made by the Secretary of Agriculture for the purchase of agricultural commodities or the products thereof. Nothing in said sections shall be construed to apply to carriage of freight or personnel by vessel, airplane, bus, truck, express, or railway line where published tariff rates are in effect or to common carriers subject to the Communications Act of 1934 [47 U.S.C. 151 et seq.].

(June 30, 1936, ch. 881, § 9, 49 Stat. 2039.)

REFERENCES IN TEXT

The Communications Act of 1934, referred to in text, is act June 19, 1934, ch. 652, 48 Stat. 1064, as amended, which is classified principally to chapter 5 (§151 et seq.) of Title 47, Telegraphs, Telephones, and Radiotelegraphs. For complete classification of this Act to the Code see section 609 of Title 47 and Tables.

§ 43a. Administrative procedure provisions

(a) Applicability

Notwithstanding any provision of section 553 of title 5, subchapter II of chapter 5, and chapter 7, of title 5 shall be applicable in the administration of sections 35 to 39 and 41 to 43 of this title.

(b) Wage determination; administrative review

All wage determinations under section 35(a) of this title shall be made on the record after opportunity for a hearing. Review of any such wage determination, or of the applicability of any such wage determination, may be had within ninety days after such determination is made in the manner provided in chapter 7 of title 5 by any person adversely affected or aggrieved thereby, who shall be deemed to include any supplier of materials, supplies, articles or equipment purchased or to be purchased by the Government from any source, who is in any industry to which such wage determination is applicable.

(c) Judicial review

Notwithstanding the inclusion of any stipulations required by any provision of sections 35 to 45 of this title in any contract subject to said sections, any interested person shall have the right of judicial review of any legal question which might otherwise be raised, including, but not limited to, wage determinations and the interpretation of the terms "locality" and "open market".

(June 30, 1936, ch. 881, § 10, as added June 30, 1952, ch. 530, title III, § 301, 66 Stat. 308; amended Pub. L. 103-355, title VII, § 7201(2), (3), Oct. 13, 1994, 108 Stat. 3378; Pub. L. 104-106, div. D, title XLIII, § 4321(f)(2), Feb. 10, 1996, 110 Stat. 675.)

CODIFICATION

"Section 553 of title 5", "subchapter II of chapter 5, and chapter 7, of title 5", and "chapter 7 of title 5" substituted for "section 1003 of title 5", "such Act [meaning the Administrative Procedure Act]", and "section 1009 of title 5", respectively, on authority of Pub. L. 89-554, § 7(b), Sept. 6, 1966, 80 Stat. 631, the first section of which enacted Title 5, Government Organization and Employees.

PRIOR PROVISIONS

A prior section 10 of act June 30, 1936, was renumbered section 12, and is classified to section 44 of this title.

AMENDMENTS

1996—Subsec. (b). Pub. L. 104-106, § 4321(f)(2)(A), substituted "section 35(a)" for "section 35(b)".

Subsec. (c). Pub. L. 104-106, § 4321(f)(2)(B), struck out comma after "locality".

1994—Subsec. (b). Pub. L. 103-355, § 7201(2), substituted "supplier of materials" for "manufacturer of, or regular dealer in, materials".

Subsec. (c). Pub. L. 103-355, § 7201(3), struck out "regular dealer", "manufacturer", before "and 'open market'".

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date and applicability of amendment by Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 251 of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

For effective date and applicability of amendment by Pub. L. 103-355, see section 10001 of Pub. L. 103-355, set out as a note under section 251 of this title.

§ 43b. Manufacturers and regular dealers

(a) The Secretary of Labor may prescribe in regulations the standards for determining whether a contractor is a manufacturer of or a regular dealer in materials, supplies, articles, or equipment to be manufactured or used in the performance of a contract entered into by any executive department, independent establishment, or other agency or instrumentality of the United States, or by the District of Columbia, or by any corporation all the stock of which is beneficially owned by the United States, for the manufacture or furnishing of materials, supplies, articles, and equipment.

(b) Any interested person shall have the right of judicial review of any legal question regarding the interpretation of the terms "regular dealer" and "manufacturer", as defined pursuant to subsection (a) of this section.

(June 30, 1936, ch. 881, § 11, as added Pub. L. 103-355, title VII, § 7201(4), Oct. 13, 1994, 108 Stat. 3378; amended Pub. L. 104-106, div. D, title XLIII, § 4321(f)(1)(A), Feb. 10, 1996, 110 Stat. 675.)

PRIOR PROVISIONS

A prior section 11 of act June 30, 1936, was renumbered section 12, and is classified to section 44 of this title.

Another prior section 11 of act June 30, 1936, was renumbered section 13, and is classified to section 45 of this title.

AMENDMENTS

1996—Pub. L. 104-106 transferred section in original so as to appear after section 43a of this title.

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date and applicability of amendment by Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 251 of this title.

EFFECTIVE DATE

For effective date and applicability of section, see section 10001 of Pub. L. 103-355, set out as an Effective Date of 1994 Amendment note under section 251 of this title.

§ 44. Separability of Walsh-Healey provisions

If any provision of sections 35 to 45 of this title, or the application thereof to any persons or circumstances, is held invalid, the remainder of said sections, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

(June 30, 1936, ch. 881, §12, formerly §10, 49 Stat. 2039; renumbered §11, June 30, 1952, ch. 530, title III, §301, 66 Stat. 308; renumbered §12, Pub. L. 104-106, div. D, title XLIII, §4321(f)(1)(B), Feb. 10, 1996, 110 Stat. 675.)

PRIOR PROVISIONS

A prior section 12 of act June 30, 1936, was renumbered section 13, and is classified to section 45 of this title.

Another prior section 12 of act June 30, 1936, was renumbered section 14, and is set out as a Short Title note under section 35 of this title.

§ 45. Effective date of Walsh-Healey provisions; exception as to representations with respect to minimum wages

Sections 35 to 45 of this title shall apply to all contracts entered into pursuant to invitations for bids issued on or after ninety days from June 30, 1936: *Provided, however,* That the provisions requiring the inclusion of representations with respect to minimum wages shall apply only to purchases or contracts relating to such industries as have been the subject matter of a determination by the Secretary of Labor.

(June 30, 1936, ch. 881, §13, formerly §11, 49 Stat. 2039; renumbered §12, June 30, 1952, ch. 530, title III, §301, 66 Stat. 308; renumbered §13, Pub. L. 104-106, div. D, title XLIII, §4321(f)(1)(B), Feb. 10, 1996, 110 Stat. 675.)

§ 46. Committee for Purchase From People Who Are Blind or Severely Disabled

(a) Establishment

There is established a committee to be known as the Committee for Purchase From People Who Are Blind or Severely Disabled (hereafter in sections 46 to 48c of this title referred to as the "Committee"). The Committee shall be composed of fifteen members appointed as follows:

(1) The President shall appoint as a member one officer or employee from each of the following: The Department of Agriculture, the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Education, the Department of Commerce, the Department of Veterans Affairs, the Department of Justice, the Department of Labor, and the General Services Administration. The head of each such department and agency shall nominate one officer or employee in his department or agency for appointment under this paragraph.

(2)(A) The President shall appoint one member from persons who are not officers or employees of the Government and who are conversant with the problems incident to the employment of the blind.

(B) The President shall appoint one member from persons who are not officers or employees

of the Government and who are conversant with the problems incident to the employment of other severely handicapped individuals.

(C) The President shall appoint one member from persons who are not officers or employees of the Government and who represent blind individuals employed in qualified nonprofit agencies for the blind.

(D) The President shall appoint one member from persons who are not officers or employees of the Government and who represent severely handicapped individuals (other than blind individuals) employed in qualified nonprofit agencies for other severely handicapped individuals.

(b) Vacancy

A vacancy in the membership of the Committee shall be filled in the manner in which the original appointment was made.

(c) Chairman

The members of the Committee shall elect one of their number to be Chairman.

(d) Terms

(1) Except as provided in paragraphs (2), (3), and (4), members appointed under paragraph (2) of subsection (a) of this section shall be appointed for terms of five years. Any member appointed to the Committee under such paragraph may be reappointed to the Committee if he meets the qualifications prescribed by that paragraph.

(2) Of the members first appointed under paragraph (2) of subsection (a) of this section—

(A) one shall be appointed for a term of three years,

(B) one shall be appointed for a term of four years, and

(C) one shall be appointed for a term of five years,

as designated by the President at the time of appointment.

(3) Any member appointed under paragraph (2) of subsection (a) of this section to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member appointed under such paragraph may serve after the expiration of his term until his successor has taken office.

(4) The member first appointed under paragraph (2)(B) of subsection (a) of this section shall be appointed for a term of three years.

(e) Pay and travel expenses

(1) Except as provided in paragraph (2), members of the Committee shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel-time) during which they are engaged in the actual performance of services for the Committee.

(2) Members of the Committee who are officers or employees of the Government shall receive no additional pay on account of their service on the Committee.

(3) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner

as persons employed intermittently in the Government service are allowed expenses under section 5703(b)¹ of title 5.

(f) Staff

(1) Subject to such rules as may be adopted by the Committee, the Chairman may appoint and fix the pay of such personnel as the Committee determines are necessary to assist it in carrying out its duties and powers under sections 46 to 48c of this title.

(2) Upon request of the Committee, the head of any entity of the Government is authorized to detail, on a reimbursable basis, any of the personnel of such entity to the Committee to assist it in carrying out its duties and powers under section 46 to 48c of this title.

(3) The staff of the Committee appointed under paragraph (1) shall be appointed subject to the provisions of title 5 governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title 5 relating to classification and General Schedule pay rates.

(g) Obtaining official data

The Committee may secure directly from any entity of the Government information necessary to enable it to carry out sections 46 to 48c of this title. Upon request of the Chairman of the Committee, the head of such Government entity shall furnish such information to the Committee.

(h) Administrative support services

The Administrator of General Services shall provide to the Committee on a reimbursable basis such administrative support services as the Committee may request.

(i) Annual report

The Committee shall, not later than December 31 of each year, transmit to the President and to the Congress a report which shall include the names of the Committee members serving in the preceding fiscal year, the dates of Committee meetings in that year, a description of its activities under sections 46 to 48c of this title in that year, and any recommendations for changes in sections 46 to 48c of this title which it determines are necessary.

(June 25, 1938, ch. 697, §1, 52 Stat. 1196; Pub. L. 92-28, §1, June 23, 1971, 85 Stat. 77; Pub. L. 93-358, §1(1), (2), July 25, 1974, 88 Stat. 392, 393; Pub. L. 94-273, §8(2), Apr. 21, 1976, 90 Stat. 378; Pub. L. 96-88, title V, §509(b), Oct. 17, 1979, 93 Stat. 695; Pub. L. 102-54, §13(p), June 13, 1991, 105 Stat. 278; Pub. L. 102-569, title IX, §911(a), Oct. 29, 1992, 106 Stat. 4486; Pub. L. 103-73, title III, §301, Aug. 11, 1993, 107 Stat. 736.)

REFERENCES IN TEXT

Section 5703 of title 5, referred to in subsec. (e)(3), was amended generally by Pub. L. 94-22, §4, May 19, 1975, 89 Stat. 85, and, as so amended, does not contain a subsec. (b).

AMENDMENTS

1993—Subsec. (a). Pub. L. 103-73 substituted “Blind or Severely Disabled” for “Blind and Severely Disabled” in introductory provisions.

¹ See References in Text note below.

1992—Subsec. (a). Pub. L. 102-569 substituted “From People Who Are Blind and Severely Disabled” for “from the Blind and Other Severely Handicapped” in introductory provisions.

1991—Subsec. (a)(1). Pub. L. 102-54 substituted “Department of Veterans Affairs” for “Veterans’ Administration”.

1976—Subsec. (i). Pub. L. 94-273 substituted “December 31” for “September 30”.

1974—Subsec. (a). Pub. L. 93-358, §1(1)(A), (B), substituted “Committee for Purchase from Blind and Other Severely Handicapped” for “Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped” and “fifteen” for “fourteen” in provisions preceding par. (1).

Subsec. (a)(2). Pub. L. 93-358, §1(1)(C), (D), struck out “and other severely handicapped individuals” after “employment of the blind” in subpar. (A), added subpar. (B), and redesignated former subpars. (B) and (C) as (C) and (D), respectively.

Subsec. (d)(1). Pub. L. 93-358, §1(2)(A), substituted “paragraphs (2), (3), and (4)” for “paragraphs (2) and (3)”.

Subsec. (d)(4). Pub. L. 93-358, §1(2)(B), added par. (4).

1971—Pub. L. 92-28, in substituting subsecs. (a) to (i) for former paragraph, among other changes: renamed Committee on Purchases of Blind-made Products as Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped; increased membership of Committee from seven to fourteen members; provided for appointments from Departments of Defense, Air Force, Health, Education, and Welfare, Justice, and Labor and from Veterans’ Administration and General Services Administration; eliminated appointments from Treasury Department and Department of Interior; substituted appointment from Department of the Army for appointment from War Department; required one appointee to be also conversant with problems incident to employment of other severely handicapped individuals; substituted requirement that such appointment be from persons not officers or employees of the Government rather than that he be a private citizen; reenacted provision for Presidential appointment; substituted subsec. (e) pay and travel expenses provisions for former requirement for service of Committee members without additional compensation; incorporated in subsec. (c) provision for selection of a Chairman, substituting “election” for “designation”; and inserted provisions incorporated in subsecs. (a)(1) (for nomination by head of each department and agency of one officer or employee of the department or agency for appointment under par. (1)), (a)(2)(B), (C), (b), (d), and (f) to (i).

EFFECTIVE DATE OF 1971 AMENDMENT

Section 2 of Pub. L. 92-28 provided that: “The amendment made by the first section of this Act [amending this section and sections 47 and 48 and enacting sections 48a to 48c of this title] shall take effect on the first day of the first month which begins more than thirty days after the date of enactment of this Act [June 23, 1971].”

SHORT TITLE

Section 7 of act June 25, 1938, as added by Pub. L. 103-355, title X, §10005(f)(6), Oct. 13, 1994, 108 Stat. 3409, provided that: “This Act [enacting this section and sections 47 to 48c of this title] may be cited as the ‘Javits-Wagner-O’Day Act.’”

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions in subsec. (i) of this section relating to the requirement that the Committee transmit a report to Congress each year, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 199 of House Document No. 103-7.

REFERENCES IN OTHER LAWS TO GS-16, 17, OR 18 PAY RATES

References in laws to the rates of pay for GS-16, 17, or 18, or to maximum rates of pay under the General Schedule, to be considered references to rates payable under specified sections of Title 5, Government Organization and Employees, see section 529 [title I, § 101(c)(1)] of Pub. L. 101-509, set out in a note under section 5376 of Title 5.

TRANSFER OF FUNCTIONS

“Department of Education” substituted for “Department of Health, Education, and Welfare” in subsec. (a)(1) pursuant to sections 301(a)(4)(A), (C), (b)(3) and 507 of Pub. L. 96-88, which are classified to sections 3441(a)(4)(A), (C), (b)(3) and 3507 of Title 20, Education, and which transferred to the Department of Education the functions and offices of the Department of Health, Education, and Welfare that had the major governmental function in the field of vocational rehabilitation for the blind and other severely handicapped and administered related vocational rehabilitation programs for individuals with disabilities.

STATEMENT OF POLICY AND REPORT CONCERNING THE OPERATION AND MANAGEMENT OF CERTAIN MILITARY FACILITIES REGARDING THE BLIND OR SEVERELY DISABLED

Pub. L. 109-163, div. A, title VIII, § 848(b), (c), Jan. 6, 2006, 119 Stat. 3395, provided that:

“(b) STATEMENT OF POLICY.—The Secretary of Defense, the Secretary of Education, and the Chairman of the Committee for Purchase From People Who Are Blind or Severely Disabled shall jointly issue a statement of policy related to the implementation of the Randolph-Sheppard Act (20 U.S.C. 107 et seq.) and the Javits-Wagner-O’Day Act (41 U.S.C. 48 [46 et seq.]) within the Department of Defense and the Department of Education. The joint statement of policy shall specifically address the application of those Acts to both operation and management of all or any part of a military mess hall, military troop dining facility, or any similar dining facility operated for the purpose of providing meals to members of the Armed Forces, and shall take into account and address, to the extent practicable, the positions acceptable to persons representing programs implemented under each Act.

“(c) REPORT.—Not later than April 1, 2006, the Secretary of Defense, the Secretary of Education, and the Chairman of the Committee for Purchase From People Who Are Blind or Severely Disabled shall submit to the Committees on Armed Services of the Senate and the House of Representatives, the Committee on Health, Education, Labor and Pensions of the Senate, and the Committee on Education and the Workforce of the House of Representatives a report describing the joint statement of policy issued under subsection (b), with such findings and recommendations as the Secretaries consider appropriate.”

§ 47. Duties and powers of the Committee

(a) Procurement list: publication in Federal Register; additions and removals

(1) The Committee shall establish and publish in the Federal Register a list (hereafter in sections 46 to 48c of this title referred to as the “procurement list”) of—

(A) the commodities produced by any qualified nonprofit agency for the blind or by any qualified nonprofit agency for other severely handicapped, and

(B) the services provided by any such agency,

which the Committee determines are suitable for procurement by the Government pursuant to sections 46 to 48c of this title. Such list shall be

established and published in the Federal Register before the expiration of the thirty-day period beginning on Aug. 1, 1971, and shall initially consist of the commodities contained, on such date, in the schedule of blind-made products issued by the former Committee on Purchases of Blind-Made Products under its regulations.

(2) The Committee may, by rule made in accordance with the requirements of subsections (b), (c), (d), and (e) of section 553 of title 5, add to and remove from the procurement list commodities so produced and services so provided.

(b) Fair market price; price revisions

The Committee shall determine the fair market price of commodities and services which are contained on the procurement list and which are offered for sale to the Government by any qualified nonprofit agency for the blind or any such agency for other severely handicapped. The Committee shall also revise from time to time in accordance with changing market conditions its price determinations with respect to such commodities and services.

(c) Central nonprofit agency; designation

The Committee shall designate a central nonprofit agency or agencies to facilitate the distribution (by direct allocation, subcontract, or any other means) of orders of the Government for commodities and services on the procurement list among qualified nonprofit agencies for the blind or such agencies for other severely handicapped.

(d) Rules and regulations; blind-made products, priority

(1) The Committee may make rules and regulations regarding (A) specifications for commodities and services on the procurement list, (B) the time of their delivery, and (C) such other matters as may be necessary to carry out the purposes of sections 46 to 48c of this title.

(2) The Committee shall prescribe regulations providing that—

(A) in the purchase by the Government of commodities produced and offered for sale by qualified nonprofit agencies for the blind or such agencies for other severely handicapped, priority shall be accorded to commodities produced and offered for sale by qualified nonprofit agencies for the blind, and

(B) in the purchase by the Government of services offered by nonprofit agencies for the blind or such agencies for other severely handicapped, priority shall, until the end of the calendar year ending December 31, 1976, be accorded to services offered for sale by qualified nonprofit agencies for the blind.

(e) Problems and production methods; study and evaluation

The Committee shall make a continuing study and evaluation of its activities under sections 46 to 48c of this title for the purpose of assuring effective and efficient administration of sections 46 to 48c of this title. The Committee may study (on its own or in cooperation with other public or nonprofit private agencies) (1) problems related to the employment of the blind and of other severely handicapped individuals, and (2) the development and adaptation of production

methods which would enable a greater utilization of the blind and other severely handicapped individuals.

(June 25, 1938, ch. 697, § 2, 52 Stat. 1196; Pub. L. 92-28, § 1, June 23, 1971, 85 Stat. 79.)

AMENDMENTS

1971—Pub. L. 92-28, in substituting subsecs. (a) to (e) for former paragraph, among other changes: extended provisions to cover commodities and services of agencies for the blind and other severely handicapped, previously limited to brooms and mops and other suitable commodities manufactured by agencies for the blind; inserted provisions incorporated in subsecs. (a) and (e); incorporated in subsec. (b) provisions for determination of fair market price and price revisions; incorporated in subsec. (c) provisions for designation of a central nonprofit agency, providing for distribution by direct allocation, subcontract, or any other means; incorporated existing provisions in subsec. (d)(1), adding par. (2) thereof; and struck out provision that no change in prices shall become effective prior to expiration of fifteen days from date on which such change is made by the Committee.

EFFECTIVE DATE OF 1971 AMENDMENT

Amendment by Pub. L. 92-28 effective Aug. 1, 1971, see section 2 of Pub. L. 92-28, set out as a note under section 46 of this title.

§ 48. Procurement requirements for the Government; nonapplication to prison-made products

If any entity of the Government intends to procure any commodity or service on the procurement list, that entity shall, in accordance with rules and regulations of the Committee, procure such commodity or service, at the price established by the Committee, from a qualified nonprofit agency for the blind or such an agency for other severely handicapped if the commodity or service is available within the period required by that Government entity; except that this section shall not apply with respect to the procurement of any commodity which is available for procurement from an industry established under chapter 307 of title 18, and which, under section 4124 of such title 18, is required to be procured from such industry.

(June 25, 1938, ch. 697, § 3, 52 Stat. 1196; Pub. L. 92-28, § 1, June 23, 1971, 85 Stat. 80.)

AMENDMENTS

1971—Pub. L. 92-28 extended provisions to cover any commodity or service on the procurement list for former provision for brooms and mops and other suitable commodities, excepted section from application to prison-made products, and deleted provision for nonapplicability of sections 46 to 58 of this title to cases where brooms and mops were available for procurement from and Federal department or agency and procurement therefrom was required under provisions of any law in effect on June 25, 1938, or to cases where brooms and mops were procured outside continental United States.

EFFECTIVE DATE OF 1971 AMENDMENT

Amendment by Pub. L. 92-28 effective Aug. 1, 1971, see section 2 of Pub. L. 92-28, set out as a note under section 46 of this title.

§ 48a. Audit

The Comptroller General of the United States, or any of his duly authorized representatives,

shall have access, for the purpose of audit and examination, to any books, documents, papers, and other records of the Committee and of each agency designated by the Committee under section 47(c) of this title. This section shall also apply to any qualified nonprofit agency for the blind and any such agency for other severely handicapped which have sold commodities or services under sections 46 to 48c of this title but only with respect to the books, documents, papers, and other records of such agency which relate to its activities in a fiscal year in which a sale was made under sections 46 to 48c of this title.

(June 25, 1938, ch. 697, § 4, as added Pub. L. 92-28, § 1, June 23, 1971, 85 Stat. 81.)

EFFECTIVE DATE

Section effective Aug. 1, 1971, see section 2 of Pub. L. 92-28, set out as an Effective Date of 1971 Amendment note under section 46 of this title.

§ 48b. Definitions

For purposes of sections 46 to 48c of this title—

(1) 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) The terms “other severely handicapped” and “severely handicapped individuals” mean 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 Government and taking into account the views of non-Government entities representing the handicapped) constitutes a substantial handicap to employment and is of such a nature as to prevent the individual under such disability from currently engaging in normal competitive employment.

(3) The term “qualified nonprofit agency for the blind” means an agency—

(A) organized under the laws of the United States or of any State, operated in the interest of blind individuals, and the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual;

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

(C) which in the production of commodities and in the provision of services (whether or not the commodities or services are procured under sections 46 to 48c of this title) during the fiscal year employs blind individuals for not less than 75 per centum of the man-hours of direct labor required for the production or provision of the commodities or services.

(4) The term “qualified nonprofit agency for other severely handicapped” means an agency—

(A) organized under the laws of the United States or of any State, operated in the interest of severely handicapped individuals who are not blind, and the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual;

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

(C) which in the production of commodities and in the provision of services (whether or not the commodities or services are procured under sections 46 to 48c of this title) during the fiscal year employs blind or other severely handicapped individuals for not less than 75 per centum of the man-hours of direct labor required for the production or provision of the commodities or services.

(5) The term "direct labor" includes all work required for preparation, processing, and packing of a commodity, or work directly relating to the performance of a service, but not supervision, administration, inspection, or shipping.

(6) The term "fiscal year" means the twelve-month period beginning on October 1 of each year.

(7) The terms "Government" and "entity of the Government" include any entity of the legislative branch or the judicial branch, any executive agency or military department (as such agency and department are respectively defined by sections 102 and 105 of title 5), the United States Postal Service, and any nonappropriated fund instrumentality under the jurisdiction of the Armed Forces.

(8) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(June 25, 1938, ch. 697, § 5, as added Pub. L. 92-28, § 1, June 23, 1971, 85 Stat. 81; amended Pub. L. 93-358, § 1(3), July 25, 1974, 88 Stat. 393; Pub. L. 94-273, § 3(22), Apr. 21, 1976, 90 Stat. 377.)

AMENDMENTS

1976—Pub. L. 94-273 substituted "October" for "July" in par. (6).

1974—Pub. L. 93-358 added par. (5) defining "direct labor", struck out former par. (6) which defined "direct labor" without reference to work directly relating to the performance of a service, and redesignated former pars. (7), (8), and (9) as (6), (7), and (8), respectively.

EFFECTIVE DATE

Section effective Aug. 1, 1971, see section 2 of Pub. L. 92-28, set out as an Effective Date of 1971 Amendment note under section 46 of this title.

TERMINATION OF TRUST TERRITORY OF THE PACIFIC ISLANDS

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

§ 48c. Authorization of appropriations

There are authorized to be appropriated to the Committee to carry out sections 46 to 48c of this title \$240,000 for the fiscal year ending June 30, 1974, and such sums as may be necessary for the succeeding fiscal years.

(June 25, 1938, ch. 697, § 6, as added Pub. L. 92-28, § 1, June 23, 1971, 85 Stat. 82; amended Pub. L. 93-76, July 30, 1973, 87 Stat. 176; Pub. L. 93-358, § 1(4), July 25, 1974, 88 Stat. 393.)

AMENDMENTS

1974—Pub. L. 93-358 substituted "\$240,000 for the fiscal year ending June 30, 1974, and such sums as may be nec-

essary for the succeeding fiscal years" for "\$200,000 each for the fiscal year ending June 30, 1972, and the next succeeding fiscal year, and \$240,000 for the fiscal year ending June 30, 1974".

1973—Pub. L. 93-76 increased authorization of appropriation to \$240,000 for fiscal year ending June 30, 1974.

EFFECTIVE DATE

Section effective Aug. 1, 1971, see section 2 of Pub. L. 92-28, set out as an Effective Date of 1971 Amendment note under section 46 of this title.

§ 49. Defense employment; honorable discharge from land and naval forces as equivalent to birth certificate

No defense contractor shall deny employment, on account of failure to produce a birth certificate, to any person who submits, in lieu of a birth certificate, an honorable discharge certificate or certificate issued in lieu thereof from the Army, Air Force, Navy, Marine Corps, or Coast Guard of the United States, unless such honorable discharge certificate shows on its face that such person may have been an alien at the time of its issuance.

(June 22, 1942, ch. 432, § 1, 56 Stat. 375; July 26, 1947, ch. 343, title II, §§ 205(a), 207(a), (f), 61 Stat. 501-503.)

CHANGE OF NAME

Air Force inserted in text under authority of section 207(a), (f) of act July 26, 1947, ch. 343, title II, 61 Stat. 502, 503. Department of War designated Department of the Army and title of Secretary of War changed to Secretary of the Army by section 205(a) of such act July 26, 1947. Sections 205(a) and 207(a), (f) of act July 26, 1947 were repealed by section 53 of act Aug. 10, 1956, ch. 1041, 70A Stat. 641. Section 1 of act Aug. 10, 1956, enacted "Title 10, Armed Forces", which in sections 3010 to 3013 and 8010 to 8013 continued Departments of the Army and Air Force under administrative supervision of Secretary of the Army and Secretary of the Air Force, respectively.

TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 50. "Defense contractor" defined

As used in sections 49 and 50 of this title the term "defense contractor" means an employer engaged in—

(1) the production, maintenance, or storage of arms, armament, ammunition, implements of war, munitions, machinery, tools, clothing, food, fuel, or any articles or supplies, or parts or ingredients of any articles or supplies; or

(2) the construction, reconstruction, repair, or installation of a building, plant, structure, or facility;

under a contract with the United States or under any contract which the President, the Secretary of the Army, the Secretary of the Air Force, the Secretary of the Navy, or the Secretary of Transportation certifies to such employer to be necessary to the national defense.

(June 22, 1942, ch. 432, §2, 56 Stat. 376; July 26, 1947, ch. 343, title II, §§205(a), 207(a), (f), 61 Stat. 501-503; Pub. L. 97-31, §12(16), Aug. 6, 1981, 95 Stat. 154.)

AMENDMENTS

1981—Pub. L. 97-31 substituted reference to Secretary of Transportation for reference to United States Maritime Commission.

CHANGE OF NAME

Secretary of the Air Force inserted in text under authority of section 207(a), (f) of act July 26, 1947, ch. 343, title II, 61 Stat. 501. Department of War designated Department of the Army and title of Secretary of War changed to Secretary of the Army by section 205(a) of such act July 26, 1947. Sections 205(a) and 207(a), (f) of act July 26, 1947 were repealed by section 53 of act Aug. 10, 1956, ch. 1041, 70A Stat. 641. Section 1 of act Aug. 10, 1956, enacted "Title 10, Armed Forces", which in sections 3010 to 3013 and 8010 to 8013 continued Departments of the Army and Air Force under administrative supervision of Secretary of the Army and Secretary of the Air Force, respectively.

§ 51. Short title

Sections 51 to 58 of this title may be cited as the "Anti-Kickback Act of 1986".

(Mar. 8, 1946, ch. 80, §1, 60 Stat. 37; Pub. L. 86-695, Sept. 2, 1960, 74 Stat. 740; Pub. L. 99-634, §2(a), Nov. 7, 1986, 100 Stat. 3523.)

AMENDMENTS

1986—Pub. L. 99-634 amended section generally, substituting short title provision for provisions relating to fees or kick-backs by subcontractors on negotiated contracts, recovery thereof by the United States, conclusive presumption that such payments by such subcontractors were included in the price of the subcontract or order and ultimately borne by the United States, and withholding by the prime contractor of such amounts from sums otherwise due a subcontractor.

1960—Pub. L. 86-695 inserted "negotiated" before "contract" and struck out ", on a cost-plus-a-fixed-fee or other cost reimbursable basis" after "whatsoever" in cl. (1), and substituted "setoff" for "set-off" and "contract" for "cost-plus-a-fixed-fee or cost reimbursable contract," before "or by an action".

EFFECTIVE DATE OF 1986 AMENDMENT

Section 3 of Pub. L. 99-634 provided that:
 "(a) Except as provided in subsection (b), the Anti-Kickback Act of 1986 (as set out in section 2(a)) [sections 51 to 58 of this title] shall take effect with respect to conduct described in section 3 of such Act [section 53 of this title] which occurs on or after the date of the enactment of this Act [Nov. 7, 1986].
 "(b) Subsections (a) and (b) of section 7 of the Anti-Kickback Act of 1986 (as set out in section 2(a)) [section 57(a) and (b) of this title] shall take effect with respect to contract solicitations issued by an agency, department, or other establishment of the Federal Government on or after the date which is 90 days after the date of the enactment of this Act [Nov. 7, 1986]."

SHORT TITLE OF 1986 AMENDMENT

Section 1 of Pub. L. 99-634 provided: "That this Act [enacting sections 55 to 58 of this title, amending this section and sections 52 to 54 of this title, and enacting provisions set out as a note above] may be cited as the 'Anti-Kickback Enforcement Act of 1986'."

§ 52. Definitions

As used in sections 51 to 58 of this title:

(1) The term "contracting agency", when used with respect to a prime contractor,

means any department, agency, or establishment of the United States which enters into a prime contract with a prime contractor.

(2) The term "kickback" means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime contractor, prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

(3) The term "person" means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

(4) The term "prime contract" means a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or services of any kind.

(5) The term "prime contractor" means a person who has entered into a prime contract with the United States.

(6) The term "prime contractor employee" means any officer, partner, employee, or agent of a prime contractor.

(7) The term "subcontract" means a contract or contractual action entered into by a prime contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

(8) The term "subcontractor"—

(A) means any person, other than the prime contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract; and

(B) includes any person who offers to furnish or furnishes general supplies to the prime contractor or a higher tier subcontractor.

(9) The term "subcontractor employee" means any officer, partner, employee, or agent of a subcontractor.

(Mar. 8, 1946, ch. 80, §2, 60 Stat. 38; Pub. L. 86-695, Sept. 2, 1960, 74 Stat. 740; Pub. L. 99-634, §2(a), Nov. 7, 1986, 100 Stat. 3523.)

AMENDMENTS

1986—Pub. L. 99-634 amended section generally. Prior to amendment, section read as follows: "For the purpose of sections 51 to 54 of this title, the term 'subcontractor' is defined as any person, including a corporation, partnership, or business association of any kind, who holds an agreement or purchase order to perform all or any part of the work or to make or to furnish any article or service required for the performance of a negotiated contract or of a subcontract entered into thereunder; the term 'person' shall include any subcontractor, corporation, association, trust, joint-stock company, partnership, or individual; and the term 'negotiated contract' means made without formal advertising."

1960—Pub. L. 86-695 substituted "negotiated contract" for "cost-plus-a-fixed-fee or cost reimbursable contract" in definition of "subcontractor" and defined "negotiated contract".

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-634 effective with respect to conduct described in section 53 of this title which oc-

curs on or after Nov. 7, 1986, see section 3(a) of Pub. L. 99-634, set out as a note under section 51 of this title.

§ 53. Prohibited conduct

It is prohibited for any person—

(1) to provide, attempt to provide, or offer to provide any kickback;

(2) to solicit, accept, or attempt to accept any kickback; or

(3) to include, directly or indirectly, the amount of any kickback prohibited by clause (1) or (2) in the contract price charged by a subcontractor to a prime contractor or a higher tier subcontractor or in the contract price charged by a prime contractor to the United States.

(Mar. 8, 1946, ch. 80, § 3, 60 Stat. 38; Pub. L. 86-695, Sept. 2, 1960, 74 Stat. 741; Pub. L. 99-634, § 2(a), Nov. 7, 1986, 100 Stat. 3524.)

AMENDMENTS

1986—Pub. L. 99-634 amended section generally. Prior to amendment, section read as follows: “For the purpose of ascertaining whether such fees, commissions, compensation, gifts, or gratuities have been paid or granted by a subcontractor, the General Accounting Office shall have the power to inspect the plants and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a negotiated contract.”

1960—Pub. L. 86-695 substituted “negotiated contract” for “cost-plus-a-fixed-fee or cost reimbursable contract”.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-634 effective with respect to conduct described in this section which occurs on or after Nov. 7, 1986, see section 3(a) of Pub. L. 99-634, set out as a note under section 51 of this title.

§ 54. Criminal penalties

Any person who knowingly and willfully engages in conduct prohibited by section 53 of this title shall be imprisoned for not more than 10 years or shall be subject to a fine in accordance with title 18, or both.

(Mar. 8, 1946, ch. 80, § 4, 60 Stat. 38; Pub. L. 86-695, Sept. 2, 1960, 74 Stat. 741; Pub. L. 99-634, § 2(a), Nov. 7, 1986, 100 Stat. 3524.)

AMENDMENTS

1986—Pub. L. 99-634 amended section generally. Prior to amendment, section read as follows: “Any person who shall knowingly, directly or indirectly, make or receive any such prohibited payment shall be fined not more than \$10,000 or be imprisoned for not more than two years, or both.”

1960—Pub. L. 86-695 reenacted section without change.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-634 effective with respect to conduct described in section 53 of this title which occurs on or after Nov. 7, 1986, see section 3(a) of Pub. L. 99-634, set out as a note under section 51 of this title.

§ 55. Civil actions

(a)(1) The United States may, in a civil action, recover a civil penalty from any person who knowingly engages in conduct prohibited by section 53 of this title. The amount of such civil penalty shall be—

(A) twice the amount of each kickback involved in the violation; and

(B) not more than \$10,000 for each occurrence of prohibited conduct.

(2) The United States may, in a civil action, recover a civil penalty from any person whose employee, subcontractor or subcontractor employee violates section 53 of this title by providing, accepting, or charging a kickback. The amount of such civil penalty shall be the amount of that kickback.

(b) A civil action under this section shall be barred unless the action is commenced within 6 years after the later of (1) the date on which the prohibited conduct establishing the cause of action occurred, and (2) the date on which the United States first knew or should reasonably have known that the prohibited conduct had occurred.

(Mar. 8, 1946, ch. 80, § 5, as added Pub. L. 99-634, § 2(a), Nov. 7, 1986, 100 Stat. 3524.)

EFFECTIVE DATE

Section effective with respect to conduct described in section 53 of this title which occurs on or after Nov. 7, 1986, see section 3(a) of Pub. L. 99-634, set out as an Effective Date of 1986 Amendment note under section 51 of this title.

§ 56. Administrative offsets

(a) Offset authority

A contracting officer of a contracting agency may offset the amount of a kickback provided, accepted, or charged in violation of section 53 of this title against any moneys owed by the United States to the prime contractor under the prime contract to which such kickback relates.

(b) Duties of prime contractor

(1) Upon direction of a contracting officer of a contracting agency with respect to a prime contract, the prime contractor shall withhold from any sums owed to a subcontractor under a subcontract of the prime contract the amount of any kickback which was or may be offset against that prime contractor under subsection (a) of this section.

(2) Such contracting officer may order that sums withheld under paragraph (1)—

(A) be paid over to the contracting agency;

or

(B) if the United States has already offset the amount of such sums against that prime contractor, be retained by the prime contractor.

(3) The prime contractor shall notify the contracting officer when an amount is withheld and retained under paragraph (2)(B).

(c) Claim of Government

An offset under subsection (a) of this section or a direction or order of a contracting officer under subsection (b) of this section is a claim by the Government for the purposes of the Contract Disputes Act of 1978 [41 U.S.C. 601 et seq.].

(d) “Contracting officer” defined

As used in this section, the term “contracting officer” has the meaning given that term for the purposes of the Contract Disputes Act of 1978 [41 U.S.C. 601 et seq.].

(Mar. 8, 1946, ch. 80, § 6, as added Pub. L. 99-634, § 2(a), Nov. 7, 1986, 100 Stat. 3524.)

REFERENCES IN TEXT

The Contract Disputes Act of 1978, referred to in subsecs. (c) and (d), is Pub. L. 95-563, Nov. 1, 1978, 92 Stat. 2383, as amended, which is classified principally to chapter 9 (§ 601 et seq.) of this title. For complete classification of this Act to the Code see Short Title note set out under section 601 of this title and Tables.

EFFECTIVE DATE

Section effective with respect to conduct described in section 53 of this title which occurs on or after Nov. 7, 1986, see section 3(a) of Pub. L. 99-634, set out as an Effective Date of 1986 Amendment note under section 51 of this title.

§ 57. Contractor responsibilities

(a) Procedural requirements for prevention and detection of violations

Each contracting agency shall include in each prime contract awarded by such agency a requirement that the prime contractor shall have in place and follow reasonable procedures designed to prevent and detect violations of section 53 of this title in its own operations and direct business relationships.

(b) Cooperation in investigations requirement

Each contracting agency shall include in each prime contract awarded by such agency a requirement that the prime contractor shall cooperate fully with any Federal Government agency investigating a violation of section 53 of this title.

(c) Reporting requirement; supplying information as favorable evidence of responsibility

(1)(A) Whenever a prime contractor or subcontractor has reasonable grounds to believe that a violation of section 53 of this title may have occurred, the prime contractor or subcontractor shall promptly report the possible violation in writing.

(B) A contractor shall make the reports required by subparagraph (A) to the inspector general of the contracting agency, the head of the contracting agency if the agency does not have an inspector general, or the Department of Justice.

(2) In the case of an administrative or contractual action to suspend or debar any person who is eligible to enter into contracts with the Federal Government, evidence that such person has supplied information to the United States pursuant to paragraph (1) shall be favorable evidence of such person's responsibility for the purposes of Federal procurement laws and regulations.

(d) Partial inapplicability to small contracts

Subsections (a) and (b) of this section do not apply to a prime contract that is not greater than \$100,000 or to a prime contract for the acquisition of commercial items (as defined in section 403(12) of this title).

(e) Cooperation in investigations regardless of contract amount

Notwithstanding subsection (d) of this section, a prime contractor shall cooperate fully with any Federal Government agency investigating a violation of section 53 of this title.

(Mar. 8, 1946, ch. 80, § 7, as added Pub. L. 99-634, § 2(a), Nov. 7, 1986, 100 Stat. 3525; amended Pub. L. 103-355, title IV, § 4104(a), title VIII, § 8301(c)(1), Oct. 13, 1994, 108 Stat. 3341, 3397; Pub. L. 104-106, div. D, title XLIII, § 4321(g), Feb. 10, 1996, 110 Stat. 675.)

AMENDMENTS

1996—Subsec. (d). Pub. L. 104-106 made technical amendment to reference in original act which appears in text as reference to section 403(12) of this title and struck out second period at end.

1994—Subsec. (d). Pub. L. 103-355, § 8301(c)(1), inserted before period at end “or to a prime contract for the acquisition of commercial items (as defined in section 403(12) of this title).”

Pub. L. 103-355, § 4104(a), added subsec. (d).

Subsec. (e). Pub. L. 103-355, § 4104(a), added subsec. (e).

EFFECTIVE DATE OF 1996 AMENDMENT

For effective date and applicability of amendment by Pub. L. 104-106, see section 4401 of Pub. L. 104-106, set out as a note under section 251 of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

For effective date and applicability of amendment by Pub. L. 103-355, see section 10001 of Pub. L. 103-355, set out as a note under section 251 of this title.

EFFECTIVE DATE

Subsecs. (a) and (b) effective with respect to contract solicitations issued by an agency, department, or other establishment of the Federal Government on or after the date which is 90 days after Nov. 7, 1986, and subsec. (c) effective with respect to conduct described in section 53 of this title which occurs on or after Nov. 7, 1986, see section 3 of Pub. L. 99-634, set out as an Effective Date of 1986 Amendment note under section 51 of this title.

§ 58. Inspection authority

For the purpose of ascertaining whether there has been a violation of section 53 of this title with respect to any prime contract, the Government Accountability Office and the inspector general of the contracting agency, or a representative of such contracting agency designated by the head of such agency if the agency does not have an inspector general, shall have access to and may inspect the facilities and audit the books and records, including any electronic data or records, of any prime contractor or subcontractor under a prime contract awarded by such agency. This section does not apply with respect to a prime contract for the acquisition of commercial items (as defined in section 403(12) of this title).

(Mar. 8, 1946, ch. 80, § 8, as added Pub. L. 99-634, § 2(a), Nov. 7, 1986, 100 Stat. 3525; amended Pub. L. 103-355, title VIII, § 8301(c)(2), Oct. 13, 1994, 108 Stat. 3397; Pub. L. 108-271, § 8(b), July 7, 2004, 118 Stat. 814.)

AMENDMENTS

2004—Pub. L. 108-271 substituted “Government Accountability Office” for “General Accounting Office”.

1994—Pub. L. 103-355 inserted at end “This section does not apply with respect to a prime contract for the acquisition of commercial items (as defined in section 403(12) of this title).”

EFFECTIVE DATE OF 1994 AMENDMENT

For effective date and applicability of amendment by Pub. L. 103-355, see section 10001 of Pub. L. 103-355, set out as a note under section 251 of this title.

EFFECTIVE DATE

Section effective with respect to conduct described in section 53 of this title which occurs on or after Nov. 7, 1986, see section 3(a) of Pub. L. 99-634, set out as an Effective Date of 1986 Amendment note under section 51 of this title.

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§ 101. Declaration of policy

The Congress declares that the objectives of this chapter are—

- (a) to facilitate maximum war production during the war, and to expedite reconversion from war production to civilian production as war conditions permit;
- (b) to assure to prime contractors and subcontractors, small and large, speedy and equitable final settlement of claims under terminated war contracts, and adequate interim financing until such final settlement;
- (c) to assure uniformity among Government agencies in basic policies and administration with respect to such termination settlements and interim financing;