

**International
Association of
Machinists and
Aerospace Workers**



9000 Machinists Place
Upper Marlboro, Maryland 20772-2687

Area Code 301
967-4500



OFFICE OF THE INTERNATIONAL PRESIDENT

October 24, 2017

The Honorable Mac Thornberry
Chairman
House Committee on Armed Services
2216 Rayburn House Office Building
Washington, DC 20515

The Honorable John McCain
Chairman
Senate Committee on Armed Services
228 Russell Senate Office Building
Washington, DC 20510

The Honorable Adam Smith
Ranking Member
House Committee on Armed Services
2340 Rayburn House Office Building
Washington, DC 20515

The Honorable Jack Reed
Ranking Member
Senate Committee on Armed Services
228 Russell Senate Office Building
Washington, DC 20510

Dear Chairmen McCain and Thornberry and Ranking Members Reed and Smith,

As the leader of the largest defense union in the U.S., I write to express our strong opposition to section 863 of the Senate passed National Defense Authorization Act (NDAA) for Fiscal Year 2018. Section 863 would eliminate important Buy American requirements for defense procurement and weaken our defense industrial base. The Machinists Union urges that House and Senate NDAA conferees remove section 863 and significantly strengthen the existing domestic content procurement requirements that have served our national and economic security so well.

Americans of all political stripes support Buy American policies that effectively invest hard earned tax dollars here in the U.S. and employ American workers. It makes no sense to outsource vital defense related components. To do so creates a perfect opening for unfairly subsidized foreign companies with weak supply chain security practices. Our armed forces should not be dependent upon strategic adversaries like Russia and China for critical components. Nor would such foreign competition be required to use domestically produced U.S. steel, a further blow to our domestic steel industry already struggling with unfair foreign trade practices.

In its Statement of Administration Policy (SAP) on the NDAA the Trump Administration “strongly objects to section 863” and stated, “The existing procurement requirements act as a key guarantor of strategic supply chain security.” The administration’s position is consistent with President Trump’s Executive Order to strengthen the domestic manufacturing capabilities of the Department of Defense (DOD), as well as his “Buy American, Hire American” Executive Order. These are policies that ordinary Americans strongly support.

Congress should not be focused on weakening our existing defense industrial base, rather the emphasis should be on strengthening Buy American requirements. In the last decade the DOD has spent over \$200 billion of the American taxpayers' money to purchase foreign made goods. Shockingly, the DOD's Inspector General found that many of these foreign purchases derived from flagrant non-compliance with existing Buy American requirements and the abuse of an unaccountable waiver system. As a result, these foreign purchases have hurt American businesses and resulted in a loss of good paying jobs here in the U.S. Meanwhile, much needed tax revenue for strained governmental budgets has gone overseas as our tax dollars circulate in foreign economies. For these reasons, the Machinists Union supports 100 percent domestic defense procurement.

The NDAA is supposed to ensure our national security. Unfortunately, section 863 undercuts that vital mandate. As the Conference Committee works to complete the 2018 NDAA, I strongly urge you to eliminate section 863, which would weaken our defense industrial base. We live in dangerous and uncertain times and Congress must not misuse our tax dollars, or take unnecessary risks with our national and economic security.

Please contact Legislative Director Hasan Solomon at (202) 420-5902 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Robert Martinez, Jr." with a stylized flourish at the end.

Robert Martinez, Jr.
International President

cc: House and Senate Armed Services Committees