

Congress of the United States

Washington, DC 20515

October 18, 2023

The Honorable Jack Reed
Chairman
Senate Committee on Armed Services
Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member
Senate Committee on Armed Services
Washington, D.C. 20510

The Honorable Mike Rogers
Chairman
House Committee on Armed Services
Washington, D.C. 20515

The Honorable Adam Smith
Ranking Member
House Committee on Armed Services
Washington, D.C. 20515

Dear Chairman Reed, Ranking Member Wicker, Chairman Rogers, and Ranking Member Smith,

As the House and Senate conferees resolve the differences for the final National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2024, we strongly urge conference adoption of the House version of enhanced domestic content requirements found in:

Section 869 of H.R. 2670, Enhanced domestic content requirement for major defense acquisition programs. The U.S. government and Department of Defense (DOD) must prioritize investment to ensure a secure and reliable U.S. defense industrial base. Investment in the defense industrial base creates and stabilizes American jobs, sustains, and develops vital skills in the workforce, and strengthens the U.S. economy. Domestic manufacturing ensures the Department of Defense acquires the newest and most advanced equipment rapidly. The United States' ability to source content domestically and from our most trusted allies is fundamental to national security, ensuring supply chain resiliency while minimizing the risk posed by adversaries who can cut off raw materials.

- **Supply chain resiliency.** The COVID-19 pandemic, Russia's illegal invasion of Ukraine, and more recently the crisis in Israel have laid bare the importance of secure and reliable defense supply chains, highlighting both the vulnerability of depending on purchases from limited parts of the world, as well as the costly impacts of unexpected disruptions. The Administration's 100-day review of supply chain resilience recommended the U.S. work with allies and partners to decrease vulnerabilities in global defense supply chains. This provision strengthens the logistics and infrastructure needed by the United States and our allies to manage risk and deter current and future threats.

- **Partnership with allies.** Weapon system components from qualifying countries are treated as if sourced domestically when considering compliance with the percentage of the system's "American made" content. Ensuring the availability of components from trusted allies and partners fosters increased partnership between US and qualifying country suppliers and reduces supply chain risk for all.

- **Quality reduces risk.** Problems with weapon system components associated with their source – for security, reliability, or both – have been recurring. As you know, DOD halted deliveries of some weapon systems’ components when it discovered material sourced from China. Additionally, an entire fleet of helicopters was previously grounded after a component of unknown origin – and potentially faulty quality – was found in the aircraft. There is also an ongoing Air Force investigation into potentially counterfeit components in ejection seats, risking the lives of U.S. pilots. Section 869 requires the creation of an information repository on the domestic sourcing of content for critical programs, which will allow data to be analyzed so that quality issues like these can be proactively identified and prevented. Additionally, these examples highlight why the U.S. must decide to pay for quality components rather than risk lower or unqualified alternative items from unreliable sources. Halting deliveries and grounding entire fleets of aircraft was costly. Using untrusted and potentially faulty components exposes servicemembers to unacceptable safety and operational risks. We must increase domestic and reliable content thresholds and procure high-quality parts at the start rather than pay avoidable costs in the future.

We appreciate your consideration of this provision, and we look forward to working with you on passage of the NDAA for the 63rd consecutive year.

Sincerely,

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