

# Preserve the Defense Industrial Base

## **Waivers and loopholes have eroded the protections provided by “Buy America” laws.**

Our nation should not continue using U.S. tax dollars to support manufacturing abroad when more than 2 million domestic manufacturing jobs have vanished. Continued erosion of the industrial and skill base will severely harm our ability to preserve a skilled workforce. In many instances, once these domestic jobs are lost, they are lost forever – taking years of skills and highly technical training with them.

**Congress has continued to grant the Secretary of Defense authority to waive U.S. laws requiring defense systems and components to be manufactured in the U.S.** Unless stronger domestic content laws are enacted, critical defense needs will continue to be sourced from abroad, further eliminating good-paying manufacturing jobs and weakening our defense industrial base. Our nation’s defense depends on the strength of the industrial base to be self-reliant to protect our interests at home and around the world.

**U.S. shipbuilding employment has been undermined by the Navy’s leasing of foreign built ships.** The Pentagon has circumvented the intent of budget discipline and oversight laws by including multiple 18-month options in each lease contract, which extends up to five years or 59 months. This practice has resulted in DOD engaging in **long-term** leases of ships to meet **long-term** military requirements. These contracts are a “de facto” purchase, violating the intent of U.S. law that states vessels for the Armed Services shall be built in the United States.

**If limitations are not placed on the length of these leases, DOD will increasingly lease more foreign-built ships rather than purchase American-built ships.** This will increase the costs to the taxpayer, and cost the American shipbuilding industry – which has already been reduced to half its size over the last 10 years -- tens of thousands of jobs.

## **Status:**

The Defense Appropriations Subcommittees and Armed Services Committees will mark-up their annual legislation later this year.

## **Boilermakers’ Message to Senators and Representatives:**

- Support measures promoting a strong industrial base for defense and homeland security, including procurement reform, enhanced Buy American requirements, an updated assessment of critical defense manufacturing capabilities and limits to “offsets” that drain critical technology and good jobs. The Boilermakers’ support Senator Russ Feingold’s “Buy America Improvement Act.”
- Support an amendment to the DOD FY07 Authorization and Appropriations Bill that would limit the duration of DOD lease contracts of foreign-built ships to two years, including contract options.