

October 31, 2023

The Honorable Jack Reed  
Chairman, Committee on Armed Services  
United States Senate  
Washington, DC 20510

The Honorable Roger Wicker  
Ranking Member, Committee on Armed Services  
United States Senate  
Washington, DC 20510

The Honorable Mike Rogers  
Chairman, Committee on Armed Services  
United States House of Representatives  
Washington, DC 20510

The Honorable Adam Smith  
Ranking Member, Committee on Armed Services  
United States House of Representatives  
Washington, DC 20510

Dear Chairs and Ranking Members:

As you prepare for conference on the Fiscal Year 2024 National Defense Authorization Act (NDAA), we respectfully request that you retain provisions that are critical to sustaining a healthy domestic defense industrial base. We make this request out of concern for the state of our domestic supply base and, by extension, the future of U.S. defense industrial capacity.

The country's experience of the COVID-19 pandemic along with the lessons learned from the ongoing war in Ukraine demonstrate the importance of secure supply chains and the urgent need to proactively examine all facets of our defense industrial base for vulnerabilities. The need to strengthen our domestic defense industrial base has become even clearer as weaknesses in reliance on foreign supply chains and cybersecurity threats came to light over the last several years.

The Department of Defense has repeatedly noted serious concerns regarding the decline in suppliers participating in the domestic defense industrial base. Without a healthy supplier base, there is no defense industrial base.

Of note, the shipbuilding supply chain is particularly vulnerable. Even prior to the pandemic, the shipbuilding industry was listed by the Department of Defense's *FY19 Industrial Capabilities Report to Congress* as one of the hardest hit industries over the last 20 years. The report notes that the country has lost an astonishing 25,000 suppliers during that time. Federal policies can help recover the industry from this decline. President Biden's 100-day review of supply chain resilience recommends use of federal procurement to strengthen supply chains, and specifically lists the "Made in America" process as an important strategy for identifying stable sources of critical components. Implementation of increased domestic content for the shipbuilding industry will pay economic dividends right here at home. A robust shipbuilding supply base is squarely in the Navy's best interest and in America's.

For years, Congress and the Navy have identified national security risks associated with sole-source suppliers of critical parts across acquisition programs, including problems related to cost, schedule, and quality control. We must support the Department in efforts to immediately address weaknesses within the supply chain by qualifying new suppliers and demonstrating a demand for

domestic procurement. Made in America policies support bringing suppliers into the defense market and retaining them by providing predictability.

Further, domestic content reduces risk to our servicemembers and our operations. Grounding platforms is costly and added risk to the very lives of our servicemembers is unacceptable. A kinetic conflict with China – whether direct or through proxies – will put a far greater strain on defense supply chains than we experienced throughout the pandemic and the war in Ukraine. We must urgently and proactively address this shortcoming before paying the immense cost of scrambling to identify alternate sources while in the midst of a conflict. We must decide to pay the cost of high-quality components up front, rather than pay unknown costs in the future.

Enhanced domestic content requirements have a history of bipartisan, bicameral support and this year is no different. Once again, Members of both Chambers successfully advocated for inclusion of provisions that increase domestic content requirements for defense acquisition programs. We urge conference adoption of these provisions, all of which contain appropriate waiver processes in keeping with the interests of National Security.

Thank you for your steadfast support of our servicemembers; I have full confidence in your commitment to growing and sustaining a strong National Defense posture. Thank you for your consideration of this important request.

Sincerely,



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Tammy Baldwin  
United States Senator



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John Kennedy  
United States Senator