

United States Senate

WASHINGTON, DC 20510

September 28, 2011

Dr. Ashton Carter
Under Secretary of Defense for
Acquisition, Technology, and Logistics
3010 Defense Pentagon, Room 3E1010
Washington, DC 20301-3010

Dear Under Secretary Carter:

We are writing in response to the Department of Defense's request for comment regarding the definition of "produced" as it relates to armor steel plate. We were pleased to see the FY11 National Defense Authorization Act require a review of the Department's definition, as we have strong concerns with the existing definition and its impact on the defense industrial base. We write today to urge you to revise the definition to require that armor steel plate be melted in the United States, returning to the Department's policy governing specialty metals production for over 35 years—and, importantly, to properly reflect Congressional intent.

Congress has previously expressed concerns to the Department regarding the definition of "produced." The definition allows armor steel plate melted in foreign countries to comply with the Specialty Metals Amendment simply by the performance of low-value secondary finishing processes in the United States. This interpretation is contrary to decades of administrative practice requiring melting in the United States. Without question, melting is the most critical stage in the production of armor steel plate, accounting for over two-thirds of the product's capital and labor costs. Consequently, the Department's approach will allow capital and resource intensive processes to be conducted overseas, costing jobs and technology, harming our economy, and allowing these products to be brought back into our country and considered "domestic."

Given the statutory requirement that the Department consider Congressional intent in its review, we are pleased to submit this letter for the record. We hope it builds upon a record of previous letters from Members of both the House and Senate, as well as report and statutory language from our colleagues in the House. As you know, armor steel plate plays a vital role in the protection of our troops and the defense of our nation. We strongly urge you to reconsider the Department's current definition of "production," which increases our reliance on foreign suppliers and threatens the health of the domestic manufacturing base. We look forward to seeing the results of your review and reinstatement of the long-standing requirement that armor steel plate be melted in the United States.

Sincerely,



Sherrrod Brown
United States Senator



Richard Burr
United States Senator

Bob Casey, Jr.

Robert P. Casey, Jr.
United States Senator

Kay R. Hagan

Kay R. Hagan
United States Senator

Dan Coats

Daniel Coats
United States Senator

John D. Rockefeller, IV

John D. Rockefeller, IV
United States Senator

Al Franken

Al Franken
United States Senator

Amy Klobuchar

Amy Klobuchar
United States Senator

cc: Mr. Richard T. Ginman, Director, Defense Procurement and Acquisition Policy