

United States Senate

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The Honorable Donald Trump
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President,

I was heartened by your statement in your inaugural speech that your administration “would follow two simple rules: Buy American and Hire American.” As a founder of the Buy American Caucus in the House of Representatives, I have worked hard since arriving in Congress to push the federal government to follow those rules. There are a number of initiatives—many of which you could put into place at the outset of your administration—that can reform and bolster our federal Buy American purchasing policies to ensure that more taxpayer dollars are spent here at home.

As you likely know, the Buy American laws enacted by Congress have, over the years, been eroded by loopholes, exceptions, and outright fraud. My office has found, for example, that the Department of Defense (DoD), the largest purchaser of manufactured goods in the world, has spent almost \$200 billion on manufactured goods made by foreign companies in the last decade through the use of hundreds of thousands of waivers of the Buy American Act and other government purchasing laws. Even more troubling, the DoD Inspector General found during an audit a significant level of non-compliance with existing Buy American policies among DoD contracting personnel. This non-compliance coupled with the flood of legally permissible waivers means billions of taxpayer dollars are being used to purchase items manufactured by foreign firms.

While DoD is the largest government purchaser, the entire federal government could enhance its commitment to the growth of American manufacturing and the U.S. economy by instituting stronger Buy American policies. The Economic Policy Institute estimated that simply enacting my *21st Century Buy American Act* would create 100,000 additional jobs due to the ripple effect that increased domestic spending on manufactured goods has on local communities. I have seen first-hand in my state of Connecticut the impact our high-quality manufacturers have, as those jobs in turn fuel spending throughout the economy. Making it easier for U.S. manufacturing companies to compete for federal procurement contracts is critical to helping those businesses thrive and maintaining our industrial base.

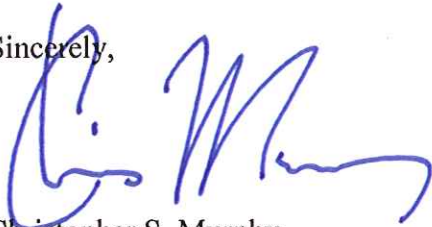
Given your commitment to ensuring that taxpayer dollars buy American-made goods and hire American workers, I urge you to consider the following actions as soon as possible:

- 1) Appoint a government-wide overseer of domestic purchasing policy. Aside from the Buy American Act of 1933, there are various other statutes that govern the purchase of manufactured goods by the federal government. These include the Berry Amendment and the Department of Transportation's grant funding (referred to as "Buy America"), as well as the Clean Water State Revolving Funds and Drinking Water State Revolving Funds. Additionally, according to the Congressional Research Service, there are almost 40 other statutory "Buy American" requirements that touch almost every federal agency. Given the extreme complexity of purchasing regulations and the history of noncompliance by contracting officers, this massive area of policy needs a senior leader dedicated to enforcing existing law and strengthening its practical effect.
- 2) Conduct a government-wide audit of purchases that are subject to domestic content requirements. As the DoD Inspector General found when it audited a small number of purchases, there was widespread non-compliance with Buy American rules among civilian contracting personnel. This non-compliance is likely due more to the web of confusing requirements than malicious intent, and a broader audit could help spread information about appropriate practice and highlight problem areas. Last year, the Senate Committee on Appropriations passed the FY2017 Transportation, Housing and Urban Development appropriations bill, which included my provision to audit the Federal Aviation Administration. There is clearly bipartisan agreement that "Buy American" audits are necessary in agencies that purchase a significant amount of manufactured goods, and your administration could take this step without waiting for legislation.
- 3) Require a "Jobs Impact Assessment" on large purchasing contracts. When federal contracting personnel are deciding between multiple bids for a project or purchase, one of the factors going into that decision should be how many U.S. jobs would be created. If Company X can build a widget for the same price as Company Y, but also would source the work in Connecticut or Ohio instead of Mexico or Vietnam and create more jobs here at home, the decision should be obvious—but right now, the federal government doesn't even have this kind of information. Requiring a Jobs Impact Assessment for large purchasing contracts, as my *American Jobs Matter Act* would do for certain Defense contracts, would give a boost to companies with the strongest commitment to "Made in America."
- 4) Require contracting personnel to do an exhaustive search for domestic suppliers before approving Buy American waiver requests. Contractors or agencies sometimes seek waivers from Buy American requirements, claiming that the product is not available domestically, because that can be easier than taking the extra step to search for qualified domestic producers. But just because it sometimes might be easier doesn't mean it's right. Before seeking a waiver for non-availability, federal purchasers should be required to conduct a thorough survey of the domestic market for the item in question, and contracting personnel should reject preemptive waivers from Buy American laws.
- 5) Create a centralized government website that lists all Buy American waivers from every agency. U.S. manufacturers often don't even know when the federal government has decided to award a contract to a foreign company instead of a domestic one. Creating a

government-wide "BuyAmerican.gov" site (instead of leaving it up to each individual agency) would give American manufacturers a one-stop shop to identify items that the government thinks are non-available, so that they could then fulfill the order domestically. I've heard this complaint often from manufacturers in Connecticut: items proclaimed to be non-available, and thus legally allowed to be purchased overseas, are actually already made by domestic manufacturers. Your administration should create a platform that makes it easy for American companies to fulfill the needs of our federal agencies.

I look forward to working with you on strengthening American manufacturing through reforms of our federal purchasing process. It's clear that our current system is overly complex and is not doing enough to support our domestic manufacturing base. Business owners and their employees expect that taxpayer dollars will prioritize domestically manufactured goods, and I believe the proposals laid out above present an opportunity to fulfill your campaign commitment to do so, and to help grow jobs in the United States. Thank you for your consideration, and I look forward to hearing from you.

Sincerely,



Christopher S. Murphy
United States Senator