TOMMY TUBERVILLE

142 RUSSELL SENATE OFFICE BUILDING WASHINGTON, DC 20510-0107 (202) 224-4124

United States Senate

COMMITTEES: ARMED SERVICES

AGRICULTURE, NUTRITION, AND FORESTRY

HEALTH, EDUCATION, LABOR, AND PENSIONS

VETERANS' AFFAIRS

March 8, 2022

The Honorable Andrew Hunter
Under Secretary of Defense for Acquisition and Sustainment
Department of Defense
3010 Defense Pentagon
Washington DC 20301-3010

Dear Mr. Hunter:

We write to request your assistance regarding the U.S. Clothing and Textile (C&T) Manufacturing Defense Industrial Base.

The C&T base enables military readiness, ensuring that America's warfighters have access to the mission-critical textiles, apparel, and equipage to protect our nation. The men and women who wear the cloth of the nation do so proudly. We are proud that 100% of these items are manufactured in the United States. On average, the Department of Defense (DOD) procures nearly \$2 billion worth of military textiles, helmets, armor, footwear and clothing annually, through the purchase of over 8,000 items. Dozens of U.S. factories, employing tens of thousands of U.S. workers in the textile, apparel, and footwear industries are proud to support our warfighters.

For 80 years, Congress has recognized that an effective national defense requires robust domestic capacity for textiles and clothing. The Berry Amendment ensures that these vital industries are called out for different and enhanced procurement procedures relative to other government procurement. Although the Berry Amendment protects the C&T base from offshore competition, it cannot insulate the base from problematic contracting practices, unpredictable DOD demand, and increases in material and labor costs. Each of these factors have made it unsustainable to continue to produce clothing, ballistic protection, and equipage for the U.S. military.

Many companies are now operating on Firm Fixed Price contracts that were awarded before the current COVID economic and health crises were realized. Fixed price contracts make it impossible for companies to react to changing business conditions — such as those that have whipsawed domestic industry over the past two years. Costs for labor, health care, freight, energy, and materials have all suddenly and unexpectedly increased by double digits over the past 18 months and show no sign of abatement. Many manufacturers are unable to offer competitive wages, further exacerbating acute labor shortages. These higher costs coupled with a lack of economic price adjustment mechanisms from DOD mean companies are often forced to perform on contracts at a financial loss simply to retain

business and keep workers employed in the hopes that a future contract will make up for current losses. Even if they can eke out a slim profit, these companies rarely have enough to reinvest in their business for training or equipment. Unfortunately, many companies with long track records of supporting the warfighter have already left the industrial base. In just the past few years, longtime industry stalwarts such as Campbellsville Knits (Kentucky), Racoe Manufacturing (Tennessee), and DeRossi & Sons (New Jersey) have all closed.

The C&T manufacturers who support our military readiness request your immediate help to make sure the Department of Defense has the authority and funding necessary so that Berry-compliant C&T contracts in distress can be adjusted to give U.S. companies and their workers the wherewithal to survive.

Without immediate action, many of these companies will be forced to withdraw from all military-related business or close operations outright. Our nation's manufacturers, manufacturing workforce, and men and women in uniform need swift, targeted action from the administration. Thank you for your attention to this request — we look forward to working with you to resolve this pressing issue.

Sincerely,

Tommy Tuberville United States Senator

Terri A. Sewell Member of Congress

Ferri Sewell