

# Protectionism in U.S. Defense Spending

The Cost of Mistaking Politics and Parochialism for National Security

#### Introduction

Despite the constant division and partisanship that plagues America's political discourse, there is some consensus when it comes to providing resources to the military. Both Republicans and Democrats tend to couch the effort to fund and supply the military as being apolitical, separate and apart from the standard partisan infighting.

True enough, in terms of the vote count, there is considerable agreement on national defense spending. For example, the National Defense Authorization Act for Fiscal Year (FY) 2019 included over \$690 billion for DOD spending,1 an increase of nearly \$80 billion from just three years earlier.2 Members of

# **Key Facts:**



While there is considerable consensus in favor of funding the U.S. military, federal policymakers often cite a need to preserve America's defense industrial base to justify harmful protectionist policies that increase costs and reduce quality in defense spending.



Laws like the Buy American **Act, the Berry Amendment,** and a patchwork of individual product restrictions have been designed to shield U.S. defense contractors from foreign competition.



Despite some claims to the contrary, these provisions have been extremely effective in achieving that goal – almost 97 percent of DOD's procurement budget goes to U.S. companies and contractors.

<sup>&</sup>lt;sup>1</sup> Congressional Research Service. FY2019 National Defense Authorization Act: An Overview of H.R. 5515, IF10942, 2018, https://fas.org/sgp/crs/natsec/ IF10942.pdf.

<sup>&</sup>lt;sup>2</sup> Congressional Research Service. Fact Sheet: Selected Highlights of the FY 2016 Defense Budget Debate and the National Defense Authorization Acts (H.R. 1735 and S. 1356), by Pat Towell, R44019, 2015, https://fas.org/sgp/crs/natsec/R44019. pdf.

both parties touted the budget agreements that enabled these increases, and for understandable reasons. A strong and capable military is vital to America's national security, and investments in defense often result in significant job creation and the development of new technologies. And, politically speaking, giving support and equipment to the military always plays well.

However, while the debate over defense spending may not engender the same public acrimony seen in other areas, it is hardly immune to politics. When it comes to contracting and procuring goods and services from the private sector, defense spending is often subject to the same parochialism and crony capitalism that exist elsewhere in government.

As justification for some policies and spending that are clearly wasteful, policymakers – both in Congress and the executive branch – often cite a need to build and maintain America's defense industrial base (DIB). Put simply, this argument assumes some products and materials are too vital to our national defense to trust foreign sources because a future conflict could potentially make such sources unavailable. Therefore, in order to preserve domestic sourcing and capacity for many items deemed essential, the federal government must take steps to prop up and shield American suppliers from foreign competition. Though it is not often explicitly stated, this reasoning inherently presupposes that any increased costs and declines in quality of goods that typically result from reduced competition are acceptable.

Using supposed threats to the DIB to justify anti-competitive policies has become a central element of the Trump administration's economic policies. For example, the administration has used threats to domestic steel and aluminum suppliers as well as the needs of the military in order to justify its far-reaching tariffs on steel and aluminum, even though the Pentagon made clear that domestic suppliers provided more than enough of these materials to meet the needs of the military.<sup>3</sup> But President Trump and others within his administration are hardly alone. Members of Congress frequently cite the need to maintain a DIB when pushing for domestic source restrictions on defense contracting, though they usually speak in terms of protecting jobs and businesses within their states and districts instead of national security.

Regardless of the intent, these types of restrictions are obvious examples of protectionism, and protecting certain firms and industries from foreign competition inevitably results in higher prices and lower quality products. In the case of defense procurement, such results are particularly egregious; the increased costs are borne by taxpayers and the inferior products are used to defend the country. While it is difficult to nail down the precise cost and quality impact of protectionism in military spending, examining certain procurement rules and practices can provide some insight and help demonstrate the scope of the problem.

## The Buy American Act and Its Protectionist Progeny

Protectionism in government spending is hardly a recent development. The Buy American Act (BAA), the oldest and most well-known source of domestic content restrictions, was enacted during the Great Depression. It requires all federal agencies to purchase "domestic end products" and use "domestic construction materials" on contracts above a specified threshold.<sup>4</sup> While this restriction applies across the federal government, DOD annually obligates more funds to procurement contracts than all other

<sup>&</sup>lt;sup>3</sup> Lawder, David and Chance, David. "U.S. Defense Department says prefers targeted steel, aluminum tariffs." *Reuters*, February 22, 2018. <a href="https://www.reuters.com/article/us-usa-trade-steel/u-s-defense-department-says-prefers-targeted-steel-aluminum-tariffs-idUSKCN1G706A">https://www.reuters.com/article/us-usa-trade-steel/u-s-defense-department-says-prefers-targeted-steel-aluminum-tariffs-idUSKCN1G706A</a>.

<sup>4 41</sup> U.S.C. § 8301-8305

agencies combined.<sup>5</sup> Therefore, the BAA restrictions can fairly be viewed as being largely – if not primarily – aimed at defense spending.

In addition, DOD and all its sub-agencies are subject to other domestic content restrictions. These include the so-called Berry Amendment, which requires DOD purchases of certain products – specifically food, tents, certain textile fabrics, and hand and measuring tools – to be fully sourced, from raw materials to end products, entirely from within the United States.<sup>6</sup> The rules under the Berry Amendment are stringent and very specific. For example, under this provision, DOD can only purchase fish and seafood items that have been harvested by U.S.-flag ships or from U.S. waters and processed either within the United States or on a U.S.-flag vessel.<sup>7</sup> And, in a separate provision that was once part of the Berry Amendment, most specialty metals used to manufacture end products purchased by DOD – including aircraft, tanks, weapons systems, and automobiles – must be melted or produced in the U.S.<sup>8</sup>

On top of all that, there are longstanding provisions in the annual defense spending bills that single out individual products and materials that DOD can only purchase from domestic sources. Such items include: U.S. flags, buses, chemical weapons antidotes, certain anchor and mooring chains, ball and roller bearings, and other specific components of naval vessels.<sup>9</sup>

Yet there are some who argue that these protections do not go far enough. For example, most of the restrictions contain exceptions for smaller purchases and compliance with international trade agreements or allow for waivers for when purchases from a domestic vendor are unduly burdensome or impractical. Some leaders and officials strongly support narrowing eligibility for waivers and stricter enforcement of the domestic sourcing rules. This debate and the arguments made by proponents of greater protection for U.S. suppliers in defense procurement will be discussed in more detail below. But, as a general matter, the overall numbers clearly demonstrate that the complex array of laws and regulations governing DOD procurement overwhelmingly favors U.S. firms over any foreign competitors. In FY 2017, almost 97 percent of all DOD's procurement spending went to domestic vendors and contractors.<sup>10</sup> And, since FY 2004, that figure has never been below 92 percent (See Figure 1).

## **Key Facts:**



Many of the most noteworthy domestic content restrictions imposed on DOD spending have no realistic connection to any national security interest.



The impact of these policies is significant; even a one-percent reduction in DOD procurement costs would save taxpayers several billion dollars a year.



By requiring the federal government to unnecessarily borrow even more from China and other creditors to pay for inflated military costs, these protectionist policies ultimately make the U.S. weaker, not stronger.

<sup>&</sup>lt;sup>5</sup> Congressional Research Service. Defense Acquisitions: *How and Where DOD Spends Its Contracting Dollars*, R44010, 2018, pg. 2. <a href="https://fas.org/sgp/crs/natsec/R44010.pdf">https://fas.org/sgp/crs/natsec/R44010.pdf</a>.

<sup>6 10</sup> U.S.C. §2533a

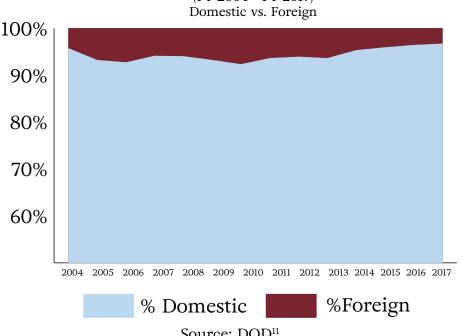
<sup>&</sup>lt;sup>7</sup> Congressional Research Service. Buying American: Protecting U.S. Manufacturing Through the Berry and Kissell Amendments, R44850, pg. 12. <a href="https://fas.org/sgp/crs/mise/R44850.pdf">https://fas.org/sgp/crs/mise/R44850.pdf</a>.

<sup>8 10</sup> U.S.C. §2533b

<sup>&</sup>lt;sup>9</sup> 10 U.S.C. §2534

<sup>&</sup>lt;sup>10</sup> Department of Defense, Office of the Under Secretary of Defense for Acquisition and Sustainment. Report to Congress on DOD FY 2017 Purchases From Foreign Entities, 2018, pg. 2. <a href="https://www.acq.osd.mil/dpap/cpic/cp/docs/2017">https://www.acq.osd.mil/dpap/cpic/cp/docs/2017</a> DoD Foreign Entities RTC-July 2018.pdf.

## Percentage of DOD Procurement Obligations (FY 2004 - FY 2017)



Source: DOD11

### The Politics of Defense Procurement

When it comes to providing resources for DOD, there tend to be two sets of priorities: those laid out by the military brass, and those set by Congress. Since 1950, DOD has had the legal authority to impose or rescind domestic source restrictions to address concerns related to the DIB or military strategy.<sup>12</sup> Such administratively imposed restrictions are, at least in theory, imposed according to established criteria, subject to ongoing assessment, and require a specified rationale. Restrictions required by Congress, on the other hand, have no such limitations.

Case in point: the statutory domestic source restriction on DOD's purchases of buses has been in place since 1969. However, there appears to be no record of any major discussions about industrial base or national security concerns at the time the statute was adopted. The restriction has remained more or less unchanged for almost 50 years, with little to no subsequent analysis or justification.<sup>13</sup>

Similarly, in the mid-1980s, DOD imposed a restriction on anchor chains because they were viewed as a "mobilization-critical item," and the U.S. had only one supplier. Congress enacted a similar restriction in 1988, originally permitting purchases from Canadian sources as well as domestic ones. A year later, after a contract for anchor chains was awarded to a Canadian firm, the restriction was amended to exclude all non-U.S. sources. Then, in 1995, when dealing with changes in military policy and industrial base concerns, DOD performed an evaluation of all its existing domestic source supply restrictions and opted to rescind its limitation on anchor chains, along with several other items, stating that it was a decline in the number of orders from the U.S. Navy, not foreign competition, that was having the greatest adverse impact on the U.S. chain suppliers.<sup>14</sup> The statutory restriction, however, remains in place to this day.

<sup>&</sup>lt;sup>11</sup> Department of Defense, Office of the Under Secretary of Defense for Acquisition and Sustainment. Reports to Congress on DOD Purchases from Foreign Entities, FY 2004 – FY 2017.

<sup>&</sup>lt;sup>12</sup> Government Accountability Office. Defense Acquisition: Rationale for Imposing Domestic Source Restrictions, 1998, pg. 2.

<sup>13</sup> Ibid, pg. 19.

<sup>14</sup> Ibid., pg. 22.

Currently, the only supplier of anchor chains appears to be Lister Chain & Forge, located in Blaine, Washington. While no agency has recently provided a detailed review of the ongoing restriction and its relationship to national security, Senator Patty Murray and Representative Suzan DelBene, both from Washington, recently fought successfully to ensure the restriction also applies to the U.S. Army Corps of Engineers.<sup>15</sup>

This is typical. When Members of Congress speak out in favor of domestic content restrictions for defense spending – which happens frequently – they tend to focus most of their attention and rhetoric on base political concerns instead of national security. At times, they will argue on behalf of American businesses and workers generally, but more often they openly advocate on behalf of constituent companies and industries.

For example, in September 2017, with the Senate preparing to consider the FY 2018 National Defense Authorization Act (NDAA), Democratic leaders were outspoken about the need to "protect and strengthen our Buy American policies in taxpayer-funded defense contracts." The stated objective was not to preserve national security, but to "limit federal defense contractors from outsourcing good-paying American jobs." This approach, which Senate Democrats linked to their "A Better Deal" campaign platform, was protectionist by design.

Similarly, in January 2018, a bipartisan group of Senators – this time with a Republican taking the lead – introduced the "BuyAmerican.gov Act," which was intended to strengthen compliance with existing BAA protections and prevent abuse of the waiver process. While the bill technically went beyond defense contracting, the DOD was a main focus of the authors' statements surrounding the bill. Once again, the proponents made the case for their legislation with populist economic appeals to preserving or protecting U.S. jobs, with only nominal references to any national security concerns.<sup>18</sup>

When politicians advocate for restrictions on specific products, the links to national security tend to be even more removed. Perhaps the most glaring recent example came with passage of FY 2017 National Defense Authorization Act (NDAA), which expanded the rigid sourcing requirements of the Berry Amendment to cover DOD purchases of athletic footwear. This was the culmination of a years-long effort, led primarily by Maine Senators Susan Collins, a Republican, and Angus King, an Independent who caucuses with Democrats. When the objective was achieved, proponents didn't hail it as a victory for national security. Instead, in the words of Senator Collins, it was a "significant victory for American jobs and manufacturers like New Balance, 110-year-old company with three factories and some 900 workers here in Maine."<sup>19</sup>

The chain of events that led to this outcome is a fascinating microcosm of the problems that arise from protectionism in defense spending. Virtually all shoes purchased in the United States are imported, and until a few years ago, for all intents and purposes there was no purely U.S. shoe manufacturing market to speak of. That is until the Maine Senators' constituent company, New Balance, shifted its manufacturing resources — undoubtedly incurring additional production costs — for the expressed purpose of producing a line of shoes that could meet the made-in-America standards of the Berry

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<sup>&</sup>lt;sup>15</sup> Office of Representative Suzan DelBene. "Press Release: DelBene Praises Senate Action to Hold Army Corps Accountable," 2016, <a href="https://delbene.house.gov/news/documentsingle.aspx?DocumentID=1729">https://delbene.house.gov/news/documentsingle.aspx?DocumentID=1729</a>.

<sup>&</sup>lt;sup>16</sup> Schumer, Chuck, et al. "A Better Deal: Taxpayer Dollars Should be Used to Support & Create American Jobs, Not Ship Them Overseas," *Medium*, September 12, 2017, <a href="https://medium.com/@SenateDems/a-better-deal-taxpayer-dollars-should-be-used-to-support-create-american-jobs-not-ship-them-f53748ebec3c">https://medium.com/@SenateDems/a-better-deal-taxpayer-dollars-should-be-used-to-support-create-american-jobs-not-ship-them-f53748ebec3c</a>.

Office of Senator Chris Murphy. "Murphy, Portman, Graham, Brown Introduce 'Buy American' Bill to Improve Transparency and Support Manufacturing Jobs," January 9, 2018, <a href="https://www.murphy.senate.gov/newsroom/press-releases/mur-phy-portman-graham-brown-introduce-buy-american-bill-to-improve-transparency-and-support-manufacturing-jobs.">https://www.murphy.senate.gov/newsroom/press-releases/mur-phy-portman-graham-brown-introduce-buy-american-bill-to-improve-transparency-and-support-manufacturing-jobs.</a>
 Office of Senator Susan Collins. "Made in the USA: Providing Our Soldiers with Top-Quality, American-made Footwear," January 9, 2017, <a href="https://www.collins.senate.gov/newsroom/made-usa-providing-our-soldiers-top-quality-american-made-footwear">https://www.collins.senate.gov/newsroom/made-usa-providing-our-soldiers-top-quality-american-made-footwear</a>
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Amendment.20 With those changes made, New Balance became one of a very small handful of shoe companies in existence with a supply chain that could meet those requirements. Yet, as Senator Collins noted in her celebratory statement, even after the changes were made, neither the company nor its allies in Congress could convince the Pentagon to voluntarily give New Balance a virtual monopoly on soldiers' athletic shoes. So, Congress eventually had to pass a law to make that happen. Of course, what's missing from this story is any plausible connection between near-exclusivity in DOD procurement for New Balance and America's national security.

The costs associated with this mandate are significant. Prior to the enactment of this requirement, DOD did not provide athletic shoes to all new recruits, though some service branches did offer cash vouchers to reimburse recruits for their own shoe purchases. According to the non-partisan Congressional Budget Office, since the new law requires DOD to purchase American-made shoes for every new recruit, DOD will have to purchase about 250,000 pairs of athletic shoes every year at a cost of roughly \$95 per pair. Yet, instead of allowing DOD to seek the best deal to give soldiers the highest quality shoes, Congress has essentially chosen a small handful of shoe vendors for the military. The added cost to taxpayers: \$50 million over the first five years, according to CBO, just for athletic shoes.<sup>21</sup> While that may be a small drop in a very large bucket, it illustrates just how quickly costs can go up even if the restrictions seem minor.

Similarly, in 2017 and 2018, the House of Representatives considered NDAA amendments offered by Representative Claudia Tenney (R-NY) that would have reinstated a domestic sourcing restriction under the Berry Amendment for flatware – knives, forks, and other eating utensils. When debating her amendment, the congresswoman made no mention whatsoever about national security or the DIB. Her plainly stated motivation was to assist the one and only Berry-compliant flatware manufacturer, which happened to be in her congressional district. On the House floor, she didn't claim that flatware was an essential component of our national defense, only that she was "fighting to bring [her] district back on path toward individual prosperity and economic revival."22

Another example: in August 2016, the Navy announced that it would be changing its uniform requirements, shifting away from the traditional wool peacoat to a synthetic cold-weather parka. To justify the change, the Navy cited cost and practical concerns, noting that the parka provides better protection against inclement weather. Opponents of the change cited naval tradition and jobs in New England towns where the peacoats are manufactured.<sup>23</sup> In its report on the FY 2018 NDAA, the House Armed Services Committee directed the Secretary of the Navy to explain the change, including its impact to the domestic textile industry.<sup>24</sup> No one seriously argued that maintaining the peacoats as a mandatory uniform item served any national security interest. In fact, very few even disputed the Navy's claim the parkas would be more efficient for the sailors who would be wearing them. Fortunately for sailors exposed to the elements, the change went into effect at the start of FY 2019 without any unnecessary intervention.

Admittedly, there are still some who invoke national security needs in order to rationalize military

<sup>21</sup> Congressional Budget Office, Cost Estimate. S. 2943: National Defense Authorization Act for FY 2017, June 6, 2016, pg. 27. https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/costestimate/s2943.pdf.

2017, H. Rept. 115-200, pg. 113. https://www.congress.gov/115/crpt/hrpt200/CRPT-115hrpt200.pdf.

<sup>&</sup>lt;sup>20</sup> Chesto, Jon. "New Balance, Saucony vying for soles of military recruits," Boston Globe, January 6, 2015, https://www. bostonglobe.com/business/2015/01/06/new-balance-saucony-two-way-race-build-all-american-shoe/cqH1DMoyFkvbnin-Q7Y9E5N/story.html.

<sup>22</sup> Representative Tenney, speaking on Amendment No. 122, 115th Cong., 1st sess. Congressional Record, H5861 (July 14, 2017), https://www.congress.gov/crec/2017/07/14/CREC-2017-07-14-pt1-PgH5836-2.pdf.
23 Farrelly, Allison. "Navy replacing iconic peacoat more than end of tradition; it could also mean an end to some local jobs," Providence Journal, March 19, 2017, http://www.providencejournal.com/news/20170319/navy-replacing-iconic-peacoat-more-than-end-of-tradition-it-could-also-mean-end-to-some-local-jobs. <sup>24</sup> U.S. Congress, House, Committee on Armed Services. National Defense Authorization Act for FY 2018, 115th Cong., 1st sess.,

protectionism. For example, when the FY 2018 NDAA was under consideration by a House-Senate conference, several Democratic Senators wrote to urge conferees to strike a provision from the Senate version of the bill that would have imposed a sunset on domestic content requirements for several items that had long been protected. The letter prominently featured appeals based on national security concerns. However, while the two-page letter did list specific items the authors deemed essential to the DIB and national security, there was no detailed discussion about any one item or foreign alternative vendors, only a vague warning against importing defense products from "strategic adversaries like China or Russia."<sup>25</sup>

## **The Cost of Military Protectionism**

Determining and aggregating the precise cost of these types of restrictions on military spending is nearly impossible, mostly because much of the necessary information is either not publicly available or is unknowable under the circumstances. For example, to determine the added costs of an individual domestic source restriction, one would have to know how much lower a foreign entity would have bid on a contract but for the restriction. In other words, to know how much the restriction on anchor chains costs the DOD, one would need to know whether and by how much a foreign contractor would underbid the U.S. vendor. That is virtually impossible to ascertain with any level of precision.

Still, there is enough information available to conclude that protectionist laws and policies add significant costs to the U.S. defense budget. For starters, we know that in FY 2017 DOD incurred \$320 billion in procurement obligations—more than the rest of the federal government combined. Therefore, right out of the gate, we know that lowering DOD's costs by a single percentage point would save taxpayers more than \$3 billion a year.

We also know that, under federal regulations, if a foreign company submits the lowest bid for a DOD project, DOD must add 50 percent to that bid when awarding the contract.<sup>26</sup> So, hypothetically, if a foreign company could complete a defense project for \$10 million, the Buy America Act would require DOD – and U.S. taxpayers – to pay as much \$15 million for the same project, just to give U.S. companies an advantage in the bidding process and without any regard to other factors that might make the foreign company's offer a better choice. This unfortunate result has nothing to do with quality or market conditions, but is the explicit and intentional result of current law.

Obviously, it is farfetched to conclude that the BAA adds 50 percent in additional costs to all – or even most – DOD contracts. However, for the purpose of illustration, if such were the case for even a small portion of DOD procurement obligations, the law would still add considerable costs.

Assume for the sake of argument that the maximum 50 percent cost increase from the Buy America Act impacts just five percent of DOD procurement spending, or roughly \$16 billion for FY 2017. Under such a scenario, removing protections for U.S. contractors would allow DOD to fund the same projects for just under \$10.7 billion, saving taxpayers about \$5.3 billion in a single year. But even that estimate might be too outlandish. So, reduce that assumed added cost to 25 percent for that portion of DOD spending, and they could potentially award contracts worth \$16 billion under the BAA for \$12.8 billion, a savings of just over \$3 billion for one year. Even if the assumed cost increase is only 10 percent – once again applied to just five percent of DOD's procurement budget – that savings would still be \$1.5 billion (See Figure 2). While it may not be possible to determine the precise cost impact of the BAA on DOD procurement, it is reasonable to conclude that the costs of the law are significant. But the BAA is only one element of protectionism that gets applied to defense spending.

<sup>26</sup> 48 C.F.R. §225.105

<sup>&</sup>lt;sup>25</sup> Baldwin, Tammy, et al. Letter to Leaders of Senate and House Armed Services Committees, October 20, 2017, https://www.baldwin.senate.gov/imo/media/doc/NDAABuyAmerica.pdf.

Figure 2: Theoretical Cost Impact of Buy American Act			
Applied to \$16 billion (approx. 5% of DOD's FY 2017 procurement obligations)			
Assumed added cost of Buy American Act	50%	25%	10%
Potential Taxpayer Savings	\$5.3 billion	\$3.2 billion	\$1.5 billion

The portion of DOD procurement subject to the Berry Amendment is also substantial. According to data retrieved from USASpending.gov, DOD paid out roughly \$3.8 billion in contracts to U.S. vendors for products in the categories covered by the amendment in FY 2018. Over the past decade, that number has totaled approximately \$53.2 billion.<sup>27</sup> Some of those contracts likely received waivers and others potentially skirted some of the proper Berry Amendment protocols, 28 but every dollar of that amount went to recipients located in the U.S. While these raw numbers do not succinctly convey the overall cost impact of the Berry Amendment, the recent episode surrounding athletic shoes demonstrates that even those sourcing restrictions that seem narrowly targeted can have a significant cost impact.

The dollar figures get smaller when the focus shifts to individual product restrictions, but they are still worth some examination. As noted earlier, DOD has been legally required to purchase all buses from U.S. sources for the past five decades with little or no public justification for the restriction. According to government spending data, DOD has made roughly \$45 million in bus purchases since 2008, about two-thirds of which were from a single supplier in Warrensville, Illinois.<sup>29</sup> In that same time period, DOD has also purchased over \$1 billion in ball bearings and more than \$300 million on circuit breakers, both of which are also subject to domestic source restrictions.<sup>30</sup> However, judging by the number of vendors, those markets appear to be comparatively more competitive.

#### Conclusion

The need for a strong DIB is neither imaginary nor abstract. Without question, there are some domestic industries and products that are rightly considered vital to America's national security. However, there are also legitimate questions regarding what products should be elevated to that status, and whether our DIB must be end-to-end domestic. In some cases, a domestic source restriction may very well be reasonable considering necessity and the realities of the marketplace – the restriction on supercomputers is one that springs to mind. But is there really a chance that if New Balance stops producing shoes in the United States, an athletic footwear crisis will occur and harm our military? Would that crisis impact national security?

At least in recent years, this debate has focused more on parochial interests and populist rhetoric, neither of which really serves the needs of the military or the DIB. Some may also argue that defense spending is too important to subject to the same thrift and scrutiny applied elsewhere. However, in reality, the opposite is true. With ever-expanding debts and deficits, the United States should never settle for spending blindly with no accountability, regardless of any national security implications. Moreover, with a growing list of increasingly complex threats to America's security, military spending should be efficient and provide the best possible resources and equipment to the men and women in uniform. Policies that needlessly restrict competition in order to protect U.S. companies and contractors undermine these objectives by increasing long-term costs and reducing the quality of

www.USASpending.gov. Figures compiled by adding awards under five federal supply groups: 51 (hand tools), 52 (measuring tools), 83 (textiles), 84 (apparel, footwear, badges, individual equipment, and personal armor), 89 (food).

28 See: Department of Defense, Office of Inspector General, Summary Report of DoD Compliance with the Berry Amendment and the Buy American Act, DODIG-2018-070, 2018, http://www.dodig.mil/reports.html/Article/1434797/summary-report-of-dod-compliance-with-the-berry-amendment-and-the-buy-american/.

<sup>&</sup>lt;sup>29</sup> www.USASpending.gov

<sup>30</sup> Ibid.

products purchased and placed into military service. Worst of all, they often do so to serve political ends.

The U.S. military is not a local jobs program. Therefore, Congress should not be in the business of directing DOD spending in order to favor constituent companies and industries. Rather than tying the hands our military, Congress should work to give the Pentagon and its experts the flexibility to make the most efficient use of procurement funds. In the end, that is what will protect national security.

## **About the Author**

Bryan Hickman a Policy Fellow with National Taxpayers Union Foundation. He is a writer and communications professional with an extensive policy background developed over nearly 14 years working on Capitol Hill, including multi-year stints on the Senate Finance and Judiciary Committees. His credentials include a J.D. from The George Washington University Law School and B.S. and M.S. degrees in political science from Utah State University.

