



May 11, 2021

To: Members of the Senate Committee on Homeland Security and Governmental Affairs

From: Thomas Aiello, Director of Federal Affairs, National Taxpayers Union

Re: NTU's Views on May 12, 2021 Committee Markup

On behalf of the National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to express our views on several measures slated for consideration before the Senate Committee on Homeland Security and Governmental Affairs on May 12, 2021. Many of the proposals up for consideration would restrict free trade, increase costs to taxpayers, and harm American competitiveness. NTU has a decades-long history of opposing costly tariffs and government policies that drive up prices and weaken the U.S. economy, and unfortunately, many of the proposals the Committee is set to approve would do just that. For these reasons, as well as reasons described below, NTU strongly urges Committee members to reject S.1306, S.1303, S.363, and S.1904 when they come up for a vote.

S. 1306: Make PPE in America Act. This legislation, introduced by Sens. Rob Portman (R-OH) and Gary Peters (D-MI) would exacerbate future shortages by placing flawed protectionist policies on the production of Personal Protective Equipment (PPE). Specifically, this legislation requires certain federal departments to purchase certain PPE and other medical supplies domestically. This bill would waste taxpayers dollars and put more strain on global trade, likely leading to higher costs for taxpayers. Although the costs of such protectionist measures are often difficult to calculate, it can be said with certainty that requiring the government to purchase domestic PPE would increase costs at the taxpayer's expense. It is estimated that U.S. import taxes now cost the average American household \$555 per year. Unless we address the costs associated with these protectionist policies, elected officials will have no reservations enacting such policies that benefit the politically connected at the expense of taxpayers at large.

In fact, [NTU led a coalition letter of more than 250 professional economists](#) against "Buy America" requirements on medical supplies. According to the economists, a "Buy America directive can also hamstring the ability of U.S. pharmaceutical and medical equipment manufacturers to meet our future needs if firms are denied access to essential foreign supplies."

In addition to the costs and economic policy concerns, what makes this policy so misguided is the fact that there is little evidence to support the claim that the United States is dependent on foreign suppliers. [According to NTU's research arm, National Taxpayers Union Foundation](#), "more than 60 percent of medical supplies are made in the United States. China accounts for only 2.1 percent, leaving non-China imports at 37 percent." While there are legitimate concerns with the Strategic National Stockpile of PPE and other medical supplies, it makes little sense during a pandemic to require that these items solely be purchased domestically.

NTU opposes S.1306.

S. 1303: Build America, Buy America Act. This legislation, introduced by Sens. Sherrod Brown (D-OH), Rob Portman (R-OH), Gary Peters (D-MI), and Mike Braun (R-IN), would apply economically flawed “Buy America” rules to all taxpayer-funded infrastructure and public works projects. Specifically, this legislation requires federal agencies to only use iron, steel, and manufactured products produced in the United States in taxpayer-assisted infrastructure projects. As an economic matter, “Buy America” requirements do not work and damage United States credibility as a beacon of open markets. Protectionist policies like “Buy America” laws limit selection and artificially limit competition, which often lead to higher costs for projects. Essentially, these laws prohibit taxpayers and contractors from getting the best value on projects. Such protectionist measures invite possible retaliation from our trading partners, which could disadvantage domestic industries seeking to export their goods into foreign markets.

Building infrastructure is already extremely expensive due to high labor costs, high procurement costs, and high regulatory and permitting costs. As such, more “Buy America” laws will only add to the overall costs taxpayers pay in order to build roads, bridges, and tunnels. [According to the Congressional Research Service](#), “Buy America could increase the cost of at least some projects, such as building highway bridges and procuring transit rail cars and buses, and may result in fewer projects being undertaken.” The goal of Buy America provisions is to boost employment, but it's clear that with fewer projects able to begin, many jobs are lost before they can even be created in the first place.

NTU opposes S. 1303.

S. 363: Make It In America Act. This legislation, introduced by Sens. Tammy Baldwin (D-WI), Debbie Stabenow (D-MI), Mike Braun (R-IN), Gary Peters (D-MI), and Rob Portman (R-OH), would make it harder for federal agencies to use waivers to get around Buy America requirements. Specifically, this legislation would end the “public interest” waiver, and would also increase American-made content from 50 to 75 percent on federal government projects. As is the case with other “Buy America” requirements, it will drastically increase costs to taxpayers, hurt trading relationships, and actually depress - not increase - employment for American workers.

NTU opposes S. 363.

S. 1094: Made in America Act. This legislation, introduced by Sens. Tammy Baldwin (D-WI) and Mike Braun (R-IN) would expand the use of economically flawed “Buy America” requirements in the federal government. Specifically, this bill requires projects under various federal programs to use US-made components such as steel, plastic, concrete, and glass in broadband infrastructure, water treatment, health centers, and housing. Like other “Buy America” provisions, these requirements will raise costs that taxpayers will have to pay for.

NTU opposes S. 1094.

Free trade is a cornerstone of the economic policy that has created unprecedented prosperity for American workers, businesses, and consumers. Continued efforts to undermine free trade, either through tariffs, quotas, non-tariff-barriers, or “Buy America” requirements will hurt our economic recovery and, inevitably, American workers. To some, the false promises of protectionism may be politically alluring; however, as history has demonstrated, increased economic isolation and protectionism would be disastrous for American businesses and consumers. Similarly, as NTU Foundation’s Bryan Riley has explained before, U.S. industrial policy tends to

create more waste and inefficiency for the American economy than value and efficiency. U.S. consumers and taxpayers benefit from global supply chains, free trade, and the ability to procure goods and services from around the world.

NTU appreciates the Committee's consideration of our views on these important issues and we stand ready to work with you on ways to remove barriers that harm American workers and businesses.