

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

R. BRUCE JOSTEN  
EXECUTIVE VICE PRESIDENT  
GOVERNMENT AFFAIRS

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June 7, 2016

TO THE MEMBERS OF THE UNITED STATES SENATE:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, urges you to consider the following recommendations as you consider S. 2943, the "National Defense Authorization Act for Fiscal Year 2017."

The Chamber commends the Committee's leadership in reporting a strong, bipartisan bill that accomplishes a range of budget and policy objectives that would enhance the ability of the nation's defense industrial base to support U.S. national security interests while remaining competitive at home and abroad.

Specifically, the Chamber fully supports Section 829H, which would limit the impact of the Executive Order 13673 "Fair Pay and Safe Workplaces" to those contractors who have been suspended or debarred within the last 12 months, thereby not burdening responsible contractors with substantial compliance costs and reporting requirements. This provision is essential to ensure that DOD and its contractor workforce would not be forced to create duplicative and costly new bureaucratic management systems. Moreover, section 829H would streamline implementation of Executive Order 13673 by relying on, and preserving, DOD's existing suspension and debarment due process. Accordingly, the Chamber urges you to oppose amendment #4255 offered by Senator Blumenthal that would strip this section from this bill.

The Chamber urges you to support amendment #4231 offered by Senator Kirk to promote defense and security cooperation with India. This amendment would authorize the Secretary of Defense, in coordination with the Secretary of State and the Secretary of Commerce, to ensure that the authorization of any proposed sale or export of defense articles, defense services, or technical data to India is treated in a manner similar to that of the United States' closest partners and allies.

The Chamber opposes amendment #4244 offered by Senator Reed on cyber security and corporate governance. This amendment would create a new corporate governance mandate and disclosure without any hearings or examination of the implications of those provisions on investor protection, competition, and capital formation. Indeed, the Securities and Exchange Commission has a concept release currently pending to modernize board disclosures and that process should be allowed to progress. Instead of adopting this amendment, all stakeholders,

including law enforcement and security agencies, should work together to address the underlying cyber issues.

The Chamber fully recognizes the position of the Armed Services Committee to require DOD to transition away from reliance on the RD-180 and to expedite the development of a new engine and launch vehicle. However, in the interim, it is necessary to allow continued use of the RD-180 in order to maintain competition in the near-term and avoid any interruption with respect to the U.S. military's ability to access space based on existing programmed costs. The Chamber urges the Senate to allow DOD flexibility in its acquisition of the RD-180 in order to provide adequate time to test and validate a new-design engine for operational use by 2022.

Lastly, the Chamber urges against adoption of amendments to prohibit so-called inverted U.S. companies from bidding on military contracts. Enactment of such provisions could reduce overall competition for federal contracts while simultaneously placing at risk the jobs of American workers who provide goods and services to the Department of Defense. Debarring contractors who are in full compliance with U.S. law undermines the principles of "full and open competition" and best value for the taxpayer that have been the longstanding cornerstones of DOD procurement policy.

The Chamber supports S. 2943, the "National Defense Authorization Act for Fiscal Year 2017," and appreciates your consideration of these recommendations. **The Chamber may consider including votes on, or in relation to, this legislation and amendments in our annual *How They Voted* scorecard.**

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first name "R." and last name "Josten" being the most prominent parts.

R. Bruce Josten