

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

1615 H STREET, N.W.
WASHINGTON, D.C. 20062-2000
202/463-5310

July 14, 2016

The Honorable John McCain
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

The Honorable Mac Thornberry
Ranking Member
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate
Washington, DC 20510

The Honorable Adam Smith
Ranking Member
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen McCain and Thornberry and Ranking Members Reed and Smith:

As the House and Senate begin conference deliberations on H.R. 4909 and S. 2943, the “National Defense Authorization Act for Fiscal Year 2017,” 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 the conferees to adopt provisions that will enhance the ability of the defense industrial base to support U.S. national security interests while remaining competitive at home and abroad.

Specifically, the Chamber strongly endorses section 829I of S. 2943 and section 1095 of H.R. 4909, which would exempt military contractors who have properly complied with all applicable labor laws, rules, and regulations from the impact of the “Fair Pay and Safe Workplaces” Executive Order. The underlying objectives of these provisions are essential to preserve the due process rights of contractors under the existing suspension and debarment system, and to ensure that DOD and its contractor workforce would not be forced to create duplicative and burdensome new bureaucratic compliance regimes. Without adoption of these provisions by the conference, the Executive Order would significantly increase costs to DOD’s contract actions and, simultaneously, decrease overall competition in its procurement process.

Additionally, the Chamber opposes section 315 of H.R. 4909, which would undermine long-standing, cost-saving military installation energy efficiency initiatives, including federal efficiency goals, federal performance contracting, and the purchasing of Energy Star products. For example, if enacted, this provision would jeopardize Utility Energy Service Contracts (UESC) and Energy Savings Performance Contracts (ESPC) that enable DOD to procure energy

services and projects without relying solely on appropriated funds. Since their inception in 1992, UESCs and ESPCs have achieved almost \$16 billion in energy savings across the federal government. For all of these reasons, the Chamber strongly opposes inclusion of section 315 in the conference report.

Lastly, the Chamber strongly supports the objective of section 874 of S. 2943, which would provide permanent authorization for the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs for the Department of Defense. The Chamber commends the Senate for ensuring the long-term stability of these vital small business programs that support the range of U.S. military scientific and technological endeavors. To the extent practicable, the Chamber would also encourage conferees to consider applying this provision government-wide.

The Chamber commends the extraordinary dedication of both House and Senate Armed Services Committees to ensure the U.S. military remains second to none, and appreciates your consideration of the aforementioned concerns in your ongoing conference deliberations.

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

cc: Members of the Conference Committee on the FY17 National Defense Authorization Act