



April 29, 2015

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

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

Dear Mr. Chairman and Ranking Member:

We are writing to express our serious concern regarding a provision in the Chairman’s mark to the FY16 National Defense Authorization Bill (HR 1735) that would seriously harm the U.S. textile, apparel, and footwear industry.

Section 844 would increase the Simplified Acquisition Procedure (SAP) threshold from \$150,000 to \$500,000. This change would exempt contracts up to \$500,000 from compliance with both the Berry Amendment and the Kissell Amendment.¹

An increase of this magnitude will cause significant strain on the U.S. textile, apparel, and footwear supply chain by reducing contracting opportunities for manufacturers, large and small, covered under the Berry Amendment (Analysis of DOD-funded contracts under the SAP attached).

With fierce competition for contracts, the Berry Amendment has spurred substantial innovation in the area of military textiles, apparel, and footwear by domestic manufacturers. Weight-saving carbon fibers, ballistic-resistant fabrics used in personal protective equipment, fire resistant fabrics, medical fabrics, and collapsible fuel bladders are among the thousands of products developed for the military that also have commercial applications. These innovations have helped America’s textile manufacturers stay at the forefront of technical textiles, enhancing safety and boosting employment and exports.

Substantial capital investment, including a \$500 million ballistic-resistant fiber plant built in South Carolina within the last five years, illustrates the industry’s commitment to the technical fiber/fabric industrial base. Thanks to the U.S. government’s longstanding policy with respect to military procurement encompassed in the Berry Amendment, that plant had a ready-made market, an important factor in calculating the risk when deciding to make that investment.

¹ The Kissell Amendment (6 USC 453b) is a Berry-type law applying to certain textile and clothing purchases made by the Department of Homeland Security.

Also, it is important to note that some textiles used by the military do not have a commercial market. For national security reasons, DOD does not allow certain textile technologies to be exported. Classified dyeing and finishing techniques used to reduce heat signatures or to create a secure environment for electronic communication are just two examples of U.S. investments made to develop military-specific textile products exclusively for DOD use.

Congress enacted the Berry Amendment in 1941 (USC, Title 10, Section 2533a)² to ensure that a strong U.S. defense industrial base is always ready to meet the needs of the troops. It requires the Department of Defense (DOD) to procure certain products such as food, specialty metals, hand measuring tools, and textiles made with 100 percent U.S. content and labor. Since then, Congress has reaffirmed its support for the Berry Amendment by strengthening its provisions, recognizing that textiles and clothing are indispensable to our warfighter's safety and ability to execute their missions.

Understanding the need for periodic adjustments in the SAP, Congress enacted Public Law 108-375³ which allowed for inflation adjustments to the SAP every five years.

However, further increase in the SAP beyond what is currently proscribed by Public Law 108-375 will seriously erode the U.S. textile, apparel, and footwear industry's ability to supply the defense industrial base, compromise U.S. investment in textile manufacturing operations, put at risk highly skilled and good paying textile jobs, and inhibit the domestic industry's competitive advantage in commercial markets.

As the Committee works on this important legislation, we urge that this provision be removed or modified so it not erode the important value that the Berry Amendment brings to the U.S. textile, apparel, and footwear industry and our warfighters.

We look forward to working with both the HASC and SASC to ensure a strong bill the textile, apparel, and footwear industry can support.

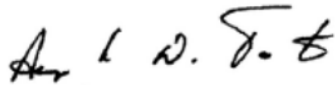
Thank you for your consideration of our views.

Sincerely,

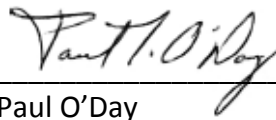
² The Berry Amendment's location in the U.S. Code is at Title 10, Sec. 2533a (10 USC 2533a).

³ Section 807 of the Ronald W. Reagan National Defense Authorization Act of 2005 (Pub. L. 108-375) amended the Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) by inserting a new Sec. 35A. This law specifies the periodic inflation adjustment to federal acquisition threshold triggers, including the SAP.

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108_cong_public_laws&docid=f:publ375.108



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Tom Dobbins
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American Composites Manufacturers Association



Gary Adams
President/CEO
National Cotton Council

ADDENDUM 1

Analysis of DOD-funded contracts under the SAP

Below is an analysis of DOD-funded contracts for FY 2014 from USASpending.gov with respect to Federal Supply Classification 83 (textiles, tents, flags, etc.) and Federal Supply Classification (FSC) 84 (clothing and individual equipment etc.) as pertaining to the Simplified Acquisition Procedure (SAP) threshold.

The current SAP threshold is \$150,000. Language in the chairman’s FY 2016 NDAA mark in Section 844 proposes to raise that figure to \$500,000. Contracts less than the threshold are not subject to the Berry Amendment’s domestic sourcing requirements.

KEY POINTS

- Dollar amount exempted from Berry would almost double.
- Almost one dollar in five would be exempt from Berry.
- Almost 92 percent of contracts would be open to imports; hurts small businesses.
- If the threshold would have been \$500,000 in FY 2014, 6,813 contracts would have been subject to the SAP totaling \$337,086,946;

**DOD-FUNDED PRIME CONTRACT AWARDS FOR FSC 83 & 84 IN FY 2014
(Rounded to nearest million or percentage)**

Category	\$ in Millions	% of Dollars	Contracts Awarded (Actual)	% Contracts
All	1,804	100	7,438	100
More than \$500k	1,467	81	625	8
\$150k to \$500k	157	9	549	7
Less than \$150K	180	10	6,264	84