

Congress of the United States
Washington, DC 20515

April 29, 2021

The Honorable Betty McCollum
Chair
Subcommittee on Defense
House Committee on Appropriations
Washington, DC 20515

The Honorable Ken Calvert
Ranking Member
Subcommittee on Defense
House Committee on Appropriations
Washington, DC 20515

Dear Chair McCollum and Ranking Member Calvert:

As you work to finalize the Fiscal Year 2022 Defense Appropriations bill, we respectfully request that you include language to ensure that the Department of Defense abides by domestic content requirements with respect to anchor and mooring chain and does not circumvent the spirit of the law in order to procure such chain from foreign sources. This fix will protect the sole remaining U.S. supplier of anchor and mooring chain, bolster American domestic steel production, and ensure that we are able to manufacture this mobilization-critical item right here in America.

For more than two decades, Congress has consistently included language in its annual Defense Appropriations bills that bars the Department of Defense (and its departments and agencies) from purchasing “welded shipboard anchor and mooring chain 4 inches in diameter and under” unless such chain is manufactured in the U.S. (P.L. 101-511 and subsequent appropriations acts). However, two loopholes in the existing language have enabled the federal government to procure foreign-made anchor and mooring chain. The first is the specification that the law applies to anchor and mooring chain “4 inches in diameter and under” and the second is the inclusion of “shipboard.”

The Department of the Navy recently circumvented current law when it accepted a design change request for its TAO Fleet Oiler Program of 20+ ships. The design change increased the originally contracted 3 and 5/8-inch anchor chain to 4.02 inches, thereby allowing for the procurement of anchor chain from an overseas supplier. The express intent of this design change was to reduce costs, even though the savings from this decision total approximately 1/10th of one percent of the cost of the remaining fleet. For the remainder of the fleet, this design shift equates to the outsourcing of more than 3,000 tons of steel that would otherwise be made in the U.S. with American labor. In addition, the shifting of this contract overseas puts the U.S. at serious risk of losing its ability to domestically manufacture anchor chain for its U.S. shipbuilding industrial base.

In another case, the Fiscal Year 2018 Consolidated Appropriations Act (P.L. 115-141) included language barring any funds made available under the Act from being used to purchase buoy chain (which is mooring chain) unless the purchase was consistent with 48 CFR 225.7007, subsections (a)(1) and (a)(2). These regulations refer to the shipboard anchor and mooring chain provision described above (P.L. 101-511 and subsequent appropriations acts). Despite the

Committee's effort, the Army Corps of Engineers maintains that the word "shipboard" relieves its obligation to procure U.S.-manufactured chain because its mooring chain is not used on ships.

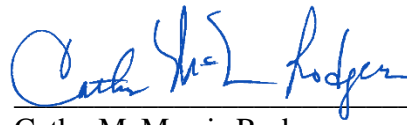
On January 25, 2021, President Biden issued an Executive Order stating that the federal government "should, whenever possible, procure goods, products, materials, and services from sources that will help American businesses compete in strategic industries and help America's workers thrive." During his first Cabinet meeting earlier this month, President Biden further stated: "I'm directing every member of the cabinet, I mean this sincerely, everyone to take a hard look at their agency spending and make sure it follows my buy American standard, which we set out in January."

As such, we respectfully request that the Committee strike "4 inches in diameter and under" and "shipboard" from the domestic content preferences for anchor and mooring chain originally enacted in Section 8041 of the Fiscal Year 1991 Defense Appropriations Act (P.L. 101-511) and included in subsequent appropriations acts, most recently in Section 8016 of the Fiscal Year 2021 Defense Appropriations Act (P.L. 116-260). Removing these specifications within the current law has been endorsed and requested by both the Steel Manufacturers Association and the American Shipbuilding Suppliers Association. This clarification is in line with President Biden's Buy America directives and will protect the best interests of our nation's defense industrial base and steel manufacturing industry while securing the United States' ability to manufacture anchor and mooring chain in America.

Sincerely,



Suzan K. DelBene
Member of Congress



Cathy McMorris Rodgers
Member of Congress



Rick Larsen
Member of Congress



Fred Keller
Member of Congress



Marilyn Strickland
Member of Congress



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