
BERRY AMENDMENT REFORM COALITION

Aerospace Industries Association * AeA * CompTIA * Coalition for Government Procurement * Contract Services Association
Electronic Industries Alliance * Government Electronics & Information Technology Alliance * Industrial Fasteners Institute
Information Technology Association of America * National Defense Industrial Association
National Electronic Distributors Association * Professional Services Council * Semiconductor Industry Association
U.S. Chamber of Commerce

Support the Senate's Proposal to Improve the Specialty Metals Provision of the Berry Amendment

Issue: The Berry Amendment Reform Coalition supports Congressional efforts to enact a reasonable, balanced framework for the statutory preference for domestic specialty metals in the "Berry Amendment" (10 U.S.C. §2533a). Section 822 of the Senate version of the FY 2007 National Defense Authorization legislation, S. 2766, proposes modest revisions to existing law to address the changing nature of the U.S. defense industrial base

In general, the current specialty metals provision in the Berry Amendment requires the Department of Defense (DOD) to procure domestically produced specialty metals (e.g. titanium, stainless steel and other alloys). In many cases this imposes burdensome and unworkable requirements on large and small suppliers, which must determine and track the country of origin for specialty metals contained in items they sell to the DOD. It is often not possible or cost-effective for companies to determine or monitor the country of origin for specialty metal content on a part-by-part basis, especially where only minute quantities are involved. Suppliers could be forced to have separate production runs or lines for military and commercial items, dramatically increasing costs to DOD.

This issue is of vital importance to the defense industrial base and the future ability of DOD to access commercial products and the latest commercial technologies. Compliance has become even more cumbersome with price and availability challenges from global demand for specialty metals and the increasingly global and commercial nature of the manufacturing supply chain. The impact is significant and costly for the thousands of smaller and mid-size companies that support DOD, especially the companies that manufacture commercial, dual-use and electronic items. The Berry Amendment Reform Coalition seeks a practical and more balanced approach to compliance.

Congressional Action: Legislative action is critical to reform the specialty metals provision of the Berry Amendment with an approach that will: sustain a healthy and broad U.S. defense supplier base; ensure that DOD can continue to procure the items needed for the warfighter in a timely, cost-effective manner; and preserve the domestic specialty metals industry. There are three key reforms needed to improve the specialty metals provision of the Berry Amendment:

- An exemption for commercial items such as electronic components and commercial-off-the-shelf fasteners;
- Civil-military integration that allows contractors to use commingled foreign and domestic specialty metals, provided the contractor acquires an equivalent or greater quantity of domestically melted specialty metals; and
- A de minimis provision allowing for delivery of an item containing non-compliant specialty metals that are less than 2 percent of the total amount of specialty metals in an item.

Action Requested: The Multi-Association Berry Amendment Reform Coalition and its member companies respectfully urge Congress to support the reforms in Section 822 of S. 2766 of the FY 2007 National Defense Authorization Act.

Making the Berry Amendment Work for Everyone