



April 28, 2021

Matthew D. Zolnowski
Office of the Deputy Assistant Secretary of Defense for Industrial Policy
U.S. Department of Defense
1400 Defense Pentagon, Room 3B854
Washington, DC, 20301-1400

Subject: Department of Defense, Docket No: 2021-07539, *Notice of Request for Comments on Executive Order "America's Supply Chains"*

Mr. Zolnowski,

The Coalition for Government Procurement ("The Coalition") sincerely appreciates the opportunity to submit comments in response to the Department of Defense (DoD) request for comments on the recent "America's Supply Chains" Executive Order.

The Coalition is a non-profit association of over 300 firms selling commercial services and products to the Federal Government. Its members collectively account for a significant percentage of the sales generated through GSA contracts, including the Multiple Award Schedule (MAS) program. Coalition members also are responsible for many of the commercial item solutions purchased annually by the Federal Government. These members include small, medium, and large business concerns. We are proud to have collaborated with Government officials for more than 40 years in promoting the mutual goal of commonsense acquisition.

We support the Administration's policy to strengthen the resilience of America's supply chains in order to protect the U.S. from shortages in certain critical supplies and to protect the national defense. In response to the Department's notice, we specifically submit industry input on two key topics identified in the request for comments: the importance of diversifying sources of supply, and the availability of domestic skilled labor to support supply chain resilience while also providing jobs for certain communities. In addition, we address policy recommendations that can foster more resilient supply chains while "promoting stewardship of affected communities."

1. *Diversifying sources of supply for strategic and critical materials, including domestic sources and foreign allies/partners*

The Coalition recommends that the DoD work in cooperation with U.S. allies and partners to ensure that the Department sustains the necessary supply of critical and strategic materials through the National Defense Stockpile and other sources. By so diversifying, in conjunction with developing a stable domestic supply chain, the U.S. can avoid the risk of depending on sources of supply that are, or are aligned with, near-peer adversaries or unstable nations that, in the face of an emergency or overarching worldwide demand, could impede the nation's access to needed supplies. Diverse sources of supply provide the redundancy needed to address

exigencies. The U.S. faced this challenge over the course of the coronavirus pandemic. In addition, working with allies on supply chain issues can aid in clarifying and rationalizing common policy interests to improve their coordinated impact around the globe. Also, readiness and responsiveness to emerging threats can be improved and coordinated.

In sum, a diverse supply chain, that supports and includes a stable domestic supply chain, as the Executive Order states, contributes to the resiliency of the nation. Diversity of sources also fosters competition, spurs innovation, expands economic activity for businesses of all sizes, and promotes alliances to meet common threats.

2. *The availability of skilled labor and other personnel to sustain a competitive strategic and critical materials ecosystem, including the domestic education and manufacturing workforce skills*

The Coalition represents Federal contractors from a broad scope of industries, including OEMs based in the U.S. and in allied countries. One member recommends that, as the Department considers how to ensure a secure supply chain, it maintains its commitment to the AbilityOne program, and its workforce of nearly 45,000 veterans and individuals who are blind or have significant disabilities, as a vital segment of the defense industrial base. The AbilityOne program has generated a secure and stable US based supplies pipeline for military agencies and their personnel for over 80 years under the Javits Wagner O'Day Act. Greater enforcement of FAR subpart 8.7 would strengthen the American supply chain and increase economic independence for Americans with disabilities who face significant unemployment.

3. *Policy recommendations or suggested executive, legislative, regulatory action to foster more resilient supply chains for strategic and critical materials while promoting stewardship of affected communities and the environment*

We recommend that DoD take a holistic approach as it considers policies that would increase the resiliency of the supply chain for strategic and critical materials. From a supply perspective, the Government should invest in incentivizing manufacturers to increase domestic production through tax incentives, long-term contracts, and specific volume commitments. These types of investments are especially critical for the semiconductor industry that is struggling due to a global shortage of chips and is critical to the technology and infrastructure that supports our national security. Other industries that could benefit from tax and other financial incentives to reshore manufacturing are the medical supply and pharmaceutical industries. As the COVID-19 pandemic revealed, the U.S. is highly reliant on healthcare products produced overseas, and especially in China, which could pose a significant risk to military readiness.

Again, the Coalition sincerely appreciates the opportunity to submit industry input in response to the DoD request for comments on the "America's Supply Chains" Executive Order. If you have any questions, I may be reached at (202) 315-1053 or rwaldron@thecgp.org.

Regards,



Roger Waldron
President