



August 11, 2021

Celeste Drake
Director, Made in America Office
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Dear Ms. Drake,

Thank you for speaking with the CompTIA Federal Procurement Council last week. The Council members appreciated your time and enjoyed the candid discussion. As a follow up, I'd like to highlight and expand upon some of the most critical items that CompTIA members raised for your further consideration:

Reciprocal Defense Procurement Memoranda of Understanding (RDP MOUs) promote America's national security and economic interests. RDP MOUs are bilateral agreements between the United States Department of Defense and the Ministry of Defense of an allied or friendly foreign government.ⁱ In these agreements, each country affords the other country "certain benefits on a reciprocal basis consistent with national laws and regulations"ⁱⁱ with respect to defense procurements. On the U.S. side, countries with a RDP MOU are considered to be a "qualifying country."ⁱⁱⁱ The acquisition of defense end products from a qualifying country are generally exempt from the requirements of the Buy American Act or the Balance of Payments program.^{iv} Additionally, other domestic sourcing requirements, such as the specialty metals statute, generally do not apply to defense items manufactured in a qualifying country.^v On the allied government side, U.S. products would be exempt from any analogous "Buy National" laws or policies applicable to procurements by the Ministry of Defense of each country.^{vi} RDP MOUs promote U.S. national security interests by promoting "rationalization, standardization, and interoperability of conventional defense equipment with allies and other friendly governments."^{vii} RDP MOUs promote U.S. economic interests by fostering a "Buy Allied" defense industrial base.

The Defense Security Cooperation Agency announced that U.S. government authorized defense exports- including both Foreign Military Sales (FMS) and Direct Commercial Sales (DCS)- topped \$175.8 Billion in Fiscal Year 2020.^{viii} These defense exports supported the jobs of approximately 1 million American workers during that same period.^{ix} In CompTIA's view, any weakening of the current RDP MOU arrangements/exemptions from U.S. domestic sourcing requirements would likely erode the cohesiveness and the strength of the coordinated allied defense industrial base. If the Biden Administration were to reimpose U.S. domestic sourcing requirements on defense procurements from allied countries with RDP MOUs or other similar agreements, those allied countries would undoubtedly reimpose their own domestic sourcing restriction on U.S. made defense products and components. This spiral of new domestic restrictions on both sides would depress sales of U.S. defense exports, eliminate U.S. jobs and diminish the interoperability of U.S.- allied defense equipment.

As you review current/proposed future U.S. domestic sourcing requirements, CompTIA hopes that you will keep the national security and economic benefits of the current allied defense industrial base- a base facilitated by RDP MOUs- in mind.

We appreciate your engagement with the CompTIA Federal Procurement Council on this important matter. Our Council wants to be a resource for you going forward. We are happy to discuss these comments or other acquisition policy matters anytime. If you have any questions or concerns, please reach out to David Logsdon, Senior Director, Public Sector, at (202) 682-4440 or dlogsdon@comptia.org.

ⁱ See e.g. “Memorandum of Understanding Between the Department of Defense of the United States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland Concerning Reciprocal Defense Procurement” (December 22, 2017) available at <https://www.acq.osd.mil/dpap/Docs/paic/US-UK%20RDP%20MOU%20signed%2022%20Dec%202017%20USA003826-17.pdf>

ⁱⁱ See e.g. Department of Defense, “Negotiation of a Follow on Reciprocal Defense Procurement Memorandum of Understanding With the Ministry of Defence of the United Kingdom of Great Britain and Northern Ireland and With the Republic of Finland,” 82 Fed. Reg. 48805 (October 20, 2017) available at <https://www.govinfo.gov/content/pkg/FR-2017-10-20/pdf/2017-22714.pdf>

ⁱⁱⁱ See DFARS 225.003.

^{iv} See DFARS 225.872-1.

^v See e.g. DFARS 225.7003-3.

^{vi} See *supra* note ii.

^{vii} *Id.*

^{viii} Department of Defense, Transcript, “DOS and DOD Officials Brief Reporters on Fiscal 2020 Arms Transfer Figures,” (December 4, 2020) available at <https://www.defense.gov/Newsroom/Transcripts/Transcript/Article/2437110/dos-and-dod-officials-brief-reporters-on-fiscal-2020-arms-transfer-figures/>

^{ix} See *id.*