

Maintaining a Viable Defense Industrial Base

The Manufacturing Division of the National Defense Industrial Association (NDIA) works to ensure the U.S. defense manufacturing industry is capable of equipping our warfighters and first responders. We believe it is critical that our federal representatives understand the issues facing this industry as summarized below, to implement effective policies that maintain our superiority.

- 1) Manufacturing Technology: The U.S. must continue to develop and implement advanced process technology to enable new product development and promote greater productivity. Increasing the DoD ManTech budget is a start, but providing more funding for process development and creating incentives to encourage industry adoption of new technology is also a necessity.
- 2) Skilled Manufacturing Workforce: The manufacturing workforce is aging and help is needed to attract, educate, and retain future generations of skilled workers. Programs are needed to encourage manufacturing career paths, like increased federal support of STEM (Science, Technology, Engineering, & Math) education initiatives, career counseling on options for entering post-secondary education and/or the workforce, and providing scholarships for manufacturing engineering degrees.
- 3) DoD Supply Chain: Original Equipment Manufacturers (OEMs) are becoming system integrators and relying more on a global supply chain. The key technologies and components needed by OEMs for increasingly complex weapon systems require new ways to communicate with an expanding supply chain. Congress should mandate a Blue Ribbon Panel to assess and recommend initiatives that will address the supply chain needs of the U.S. Defense Industry.
- 4) Modernizing Defense Manufacturing Facilities: U.S. defense industry manufacturing facilities, especially government-owned facilities, often employ aged processing equipment and methods, which are not competitive to modern equipment employed by foreign nations like India and China. DoD and Congress must commit long-term funding to maintain manufacturing excellence within government-owned manufacturing facilities. Further, the Industrial Modernization Incentive Program (IMIP) for capital investments must be revisited to reflect changing global market conditions.
- 5) Global Competition: Globalization is here and U.S. companies compete against foreign companies with lower labor costs, the most modern equipment, and government policies that promote an uneven playing field. We must: a) encourage U.S. companies to invest in manufacturing infrastructure; b) ensure all foreign companies that sell product in the U.S. or compete with U.S. firms are subject to the Foreign Corrupt Practices Act; and c) promote foreign states to allow their currency to float.
- 6) Manufacturing and Local Economies: Manufacturing employment has declined by over eight million jobs (36.3%) in the last twenty years. Today, there are 14 million U.S. manufacturing jobs, the same number as when Harry S. Truman was President. Since manufacturing jobs support a disproportionate share of local economies, they are a vital ingredient to healthy U.S. cities and towns. Federal government must assist state and local government to attract and train highly skilled labor.
- 7) Environmental Protection: The defense industry has responded to caring for the environment by reducing use of hazardous materials and pursuing alternative energy sources. A key current challenge for industry is legislation mandating the elimination of specific materials prior to the availability of viable alternates, i.e., eliminating lead in solder for electronics. The U.S. must monitor and influence the content of international environmental legislation, and provide investment for development of alternative, non-hazardous materials that perform equally well.