

**AMENDMENT TO H.R. 1540, AS REPORTED
OFFERED BY MR. TIERNEY OF MASSACHUSETTS**

At the end of subtitle I of title X, add the following
new section:

1 **SEC. 1099C. REPORT ON THE MANUFACTURING POLICY OF**
2 **THE UNITED STATES.**

3 (a) FINDINGS.—Congress finds the following:

4 (1) For many years, manufacturing has been
5 the backbone of the United States economy, leading
6 to good jobs, technological innovation, and the pro-
7 duction of high quality commodities.

8 (2) In addition, the superiority of the United
9 States manufacturing industry ensured a reliable
10 supply of raw and finished goods to support the de-
11 fense and security operations of the United States
12 Government.

13 (3) Over the past few decades, the manufac-
14 turing industry of the United States and the jobs as-
15 sociated with it have suffered a dramatic decline as
16 manufacturing processes have been outsourced to
17 foreign nations.

18 (4) This decrease in domestic manufacturing
19 capability has forced the Department of Defense to

1 acquire supplies and materials necessary for the na-
2 tional defense from foreign companies and govern-
3 ments, thereby subjecting the critical defense needs
4 of the United States to geopolitical forces beyond its
5 control.

6 (b) SUBMISSION TO CONGRESS OF REPORT ON THE
7 MANUFACTURING INDUSTRY OF THE UNITED STATES.—

8 (1) SUBMISSION REQUIRED.—The Secretary of
9 Defense shall submit to Congress a report on the
10 manufacturing industry of the United States. Such
11 report shall be submitted as soon as is practicable,
12 but not later than the end of the 180-day period be-
13 ginning on the date of the enactment of this Act.

14 (2) NOTICE OF SUBMISSION.—If before the end
15 of the 180-day period specified in paragraph (1) the
16 Secretary determines that the report required by
17 that paragraph cannot be submitted by the end of
18 such period as required by such paragraph, the Sec-
19 retary shall (before the end of such period) submit
20 to Congress a report setting forth—

21 (A) the reasons why the report cannot be
22 submitted by the end of such 180-day period;
23 and

24 (B) an estimated date for the submission
25 of the report.

1 (3) FORM.—The report under paragraph (1)
2 shall be submitted in an unclassified form, but may
3 include a classified annex. Consistent with the pro-
4 tection of intelligence sources and methods, an un-
5 classified summary of the key judgments of the re-
6 port may be submitted.

7 (4) ELEMENTS.—The report submitted under
8 paragraph (1) shall include the following:

9 (A) An assessment of the current manufac-
10 turing capacity of the United States as it re-
11 lates to the ability of the United States to re-
12 spond to both civilian and defense needs.

13 (B) An assessment of tax, trade, and regu-
14 latory policies as they impact the growth of the
15 manufacturing industry in the United States.

16 (C) An analysis of the factors leading to
17 the increased outsourcing of manufacturing
18 processes to foreign nations.

19 (D) An analysis of the strength of the
20 United States defense industrial base, including
21 the security and stability of the supply chain,
22 and an assessment of the vulnerabilities and
23 weak points of that supply chain.

1 (E) An analysis of the capacity of the civil-
2 ian manufacturing industry to fulfill defense
3 manufacturing needs when necessary.

4 (F) An analysis of the ability of the United
5 States to access necessary raw materials for the
6 defense industry, including rare earth minerals.

7 (G) A quantitative analysis of the position
8 of the United States relative to the global de-
9 fense market.

10 (H) An analysis of the changes in supply-
11 side economics resulting from shifts in
12 globalization trends.

13 (I) An analysis of the vulnerability of the
14 United States defense products that could po-
15 tentially be corrupted by malicious software,
16 such as spyware, malware, and viruses.

17 (J) A quantitative analysis of the risk fac-
18 ing the defense supply chain of the United
19 States and the processes currently in place to
20 manage such risk.

21 (c) PRESIDENTIAL REPORT ON POLICY OBJECTIVES
22 AND UNITED STATES STRATEGY REGARDING THE
23 UNITED STATES MANUFACTURING INDUSTRY.—

24 (1) REPORT REQUIRED.—As soon as is prac-
25 ticable, but not later than 180 days after the date

1 of the enactment of this Act, the President shall
2 submit to Congress a report on—

3 (A) the objectives of United States policy
4 regarding the manufacturing industry of the
5 United States; and

6 (B) the strategy for achieving those objec-
7 tives.

8 (2) FORM.—The report under paragraph (1)
9 shall be submitted in unclassified form, but may in-
10 clude a classified annex.

11 (3) ELEMENTS.—The report submitted under
12 paragraph (1) shall—

13 (A) address the role of diplomacy, incen-
14 tives, sanctions, other punitive measures and in-
15 centives, and other programs and activities re-
16 lating to the manufacturing industry of the
17 United States for which funds are provided by
18 Congress; and

19 (B) summarize United States planning re-
20 garding the range of possible United States ac-
21 tions in support of United States policy objec-
22 tives with respect to the manufacturing indus-
23 try of the United States.

