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:

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

(a) FINDINGS.—Congress finds the following:

(1) For many years, manufacturing has been the backbone of the United States economy, leading to good jobs, technological innovation, and the production of high quality commodities.

(2) In addition, the superiority of the United States manufacturing industry ensured a reliable supply of raw and finished goods to support the defense and security operations of the United States Government.

(3) Over the past few decades, the manufacturing industry of the United States and the jobs associated with it have suffered a dramatic decline as manufacturing processes have been outsourced to foreign nations.

(4) This decrease in domestic manufacturing capability has forced the Department of Defense to
acquire supplies and materials necessary for the na-
tional defense from foreign companies and govern-
ments, thereby subjecting the critical defense needs
of the United States to geopolitical forces beyond its
control.

(b) Submission to Congress of Report on the
Manufacturing Industry of the United States.—

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

(2) Notice of Submission.—If before the end
of the 180-day period specified in paragraph (1) the
Secretary determines that the report required by
that paragraph cannot be submitted by the end of
such period as required by such paragraph, the Sec-
retary shall (before the end of such period) submit
to Congress a report setting forth—

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

(B) an estimated date for the submission
of the report.
(3) FORM.—The report under paragraph (1) shall be submitted in an unclassified form, but may include a classified annex. Consistent with the protection of intelligence sources and methods, an unclassified summary of the key judgments of the report may be submitted.

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

(A) An assessment of the current manufacturing capacity of the United States as it relates to the ability of the United States to respond to both civilian and defense needs.

(B) An assessment of tax, trade, and regulatory policies as they impact the growth of the manufacturing industry in the United States.

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

(D) An analysis of the strength of the United States defense industrial base, including the security and stability of the supply chain, and an assessment of the vulnerabilities and weak points of that supply chain.
(E) An analysis of the capacity of the civilian manufacturing industry to fulfill defense manufacturing needs when necessary.

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

(G) A quantitative analysis of the position of the United States relative to the global defense market.

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

(I) An analysis of the vulnerability of the United States defense products that could potentially be corrupted by malicious software, such as spyware, malware, and viruses.

(J) A quantitative analysis of the risk facing the defense supply chain of the United States and the processes currently in place to manage such risk.

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

(1) REPORT REQUIRED.—As soon as is practicable, but not later than 180 days after the date
of the enactment of this Act, the President shall submit to Congress a report on—

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

(B) the strategy for achieving those objectives.

(2) FORM.—The report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

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

(A) address the role of diplomacy, incentives, sanctions, other punitive measures and incentives, and other programs and activities relating to the manufacturing industry of the United States for which funds are provided by Congress; and

(B) summarize United States planning regarding the range of possible United States actions in support of United States policy objectives with respect to the manufacturing industry of the United States.