



Dorothy Coleman

Vice President

Tax and Domestic Economic Policy

April 17, 2012

The Honorable Howard P. McKeon
Chairman House Armed Services Committee
2120 Rayburn House Office Building
Washington, DC 20515

The Honorable Adam Smith
Ranking Member, House Armed Services Committee
2120 Rayburn House Office Building
Washington, DC 20515

Dear Chairman McKeon and Ranking Member Smith:

The National Association of Manufacturers (NAM)—the nation's largest industrial trade association representing small and large manufacturers in every industrial sector and in all 50 states—appreciates current efforts in Congress to derail significant cuts in critical defense spending set to go into effect at the beginning of 2013, which will cost thousands of manufacturing jobs.

The NAM fully acknowledges the importance of getting our fiscal house in order to ensure durable and long-term growth, and understands the difficult decisions facing our nation with regard to deficit reduction and spending cuts. It is critical however, that efforts to address the deficit do not jeopardize the ability of the U.S. defense and aerospace industry to manufacture the products and technologies that are crucial to our nation. Federal spending already has been cut by almost \$500B under the Budget Control Act (BCA) of 2011 and the sequestration provision in the BCA defense calls for an additional \$500B in across-the board cuts in defense spending effective January 2013.

The U.S. defense and aerospace industry and their suppliers play an important role in our economy as manufacturers, innovators, and creators of good high-paying jobs. Millions of American jobs are connected to the aerospace and defense industry and the jobs of many of these workers will be threatened if the additional cuts in defense spending under the Budget Control Act of 2011 go into effect. In particular, under-funded programs could force companies to furlough or lay off current employees and drop plans for new hires.

The defense sector also is vital to maintaining our country's competitive edge. Much of the innovation essential to our economic development comes from important R&D in the defense and aerospace industries. The capabilities of U.S. defense and aerospace manufacturing cannot be taken for granted—once they are gone they will be extremely difficult or perhaps impossible to rebuild.

Moreover, it is extremely important that Congress act as soon as possible to derail the cuts under sequestration. In recent remarks, Department of Defense officials warned that, absent Congressional action, the looming sequestration will force them to begin planning this summer for pending cuts.

Manufacturers stand firmly on the premise that a strong industrial base provides good-paying and reliable jobs and plays a major role in our nation's economy. We look forward to working with you to advance legislation, as soon as possible, that prevents these additional cuts in defense spending from going into effect.

Sincerely,

A handwritten signature in black ink that reads 'Dorothy Coleman'. The signature is written in a cursive, flowing style.

Leading Innovation. Creating Opportunity. Pursuing Progress.