

Congress of the United States
Washington, DC 20515

March 24, 2022

The Honorable Joseph R. Biden, Jr.
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President,

We are writing to encourage you to support the Department of Defense (DOD), in collaboration with the Department of Commerce, in using its Defense Production Act Title III authorities to stabilize the supply of microelectronics available to the U.S. computer numerically controlled (CNC) manufacturing base, which is essential to sustaining the defense industrial base and critical national security programs.

While the impact of the chip shortage in the U.S. automotive and consumer electronics markets has been well documented and addressed by your administration, more focus should be afforded to the impact on the people and manufacturers who build end-use products, such as weapon systems, required by our military services. This workforce is heavily represented in our states and congressional districts, all across the country. This critical manufacturing sector supplies 30,000 CNC machines in the organic DOD industrial base and is a significant contributor to U.S. military readiness. Existing Defense Priorities and Allocations System (DPAS) authorities allow for DO/DX ratings on national security related orders, but they often only cover a small percentage of overall chips required to sustain U.S. manufacturers essential to the defense supply chain and broader U.S. economy.

The Defense Department has made strides by establishing a Supply Chain Resiliency Task Force to address systemic barriers. However, we urge your administration to take a far more urgent and aggressive approach to resolving the CNC industry crisis brought on by the shortfall in microelectronics supplied to U.S. manufacturers. One of these critical manufacturers is Haas Automation, which employs 1,600 personnel at its facility in Oxnard, California and is currently building an even larger 2.5 million square foot state-of-the-art factory in Henderson, Nevada. In addition, Haas maintains a national distribution and service network with over 3,500 employees – including in Hanover, Maryland. Further supporting the Department’s Task Force is critical to ensuring companies like Haas Automation remain U.S. manufacturing leaders in our economic recovery and trusted “Made in America” partners for DOD and our defense industrial base.

Our leading concern is American national security, given that Haas Automation manufactures over 90 percent of all American-made CNC machines and is the last standing major American manufacturer of CNC machine tools. Losing U.S. CNC manufacturing would not only result in a

loss of jobs, but would also require DOD, other federal agencies, and commercial customers to rely on unstable and potentially untrustworthy foreign sources for CNC machine tools and parts.

We appreciate your consideration of this request and the Administration's efforts to mitigate critical defense supply chain challenges. Please feel free to have your staff contact our offices with any questions and discuss solutions to the microelectronics supply shortages facing our defense manufacturing base.

Sincerely,



Catherine Cortez Masto
U.S. Senator



Jacky Rosen
U.S. Senator



Susie Lee
Member of Congress



Julia Brownley
Member of Congress



Steven Horsford
Member of Congress



C.A. Dutch Ruppertsberger
Member of Congress



Dina Titus
Member of Congress

CC:

The Honorable Lloyd J. Austin III
Secretary, U.S. Department of Defense

The Honorable Kathleen Hicks
Deputy Secretary of Defense, U.S.
Department of Defense

The Honorable Gina M. Raimondo
Secretary, U.S. Department of Commerce