



December 22, 2008

Ms. Melody C. Barnes
Director-Designate of the Domestic Policy Council
Obama-Biden Transition Team
451 6th St NW
Washington, DC 20001

Ms. Heather A. Higginbottom
Deputy Director-Designate of the Domestic Policy Council

Dear Ms. Barnes and Ms. Higginbottom:

Unquestionably, the United States is facing its most severe economic crisis since the Great Depression. The U.S. financial sector teeters on failure. Almost 1.9 million American jobs have disappeared in the past twelve months. The U.S. manufacturing sector has been bled by a combination of flawed U.S. trade policy and a flood of unfairly subsidized imports in the last eight years as evidenced by a cumulative \$3.5 trillion U.S. trade deficit in manufactured goods and the destruction of 4 million middle-class American manufacturing jobs.

A major stimulus, therefore, is urgently needed to stop the economic carnage. This vitally needed legislation should be constructed in a manner that encourages economic growth by putting as many Americans to work as quickly as possible through the targeted purchase of U.S.-produced goods and services. To that end, the undersigned labor union and industry trade associations believe it is imperative to expand and strengthen statutes and regulations that mandate the purchase of U.S.-produced goods and services as follows:

Expand the “Buy America” product coverage and content requirements in the Surface Transportation Assistance Act of 1982 and the Federal Public Transportation Law

“Buy America” forbids the Secretary of Transportation from obligating any funds authorized to be appropriated to carry out the Surface Transportation Assistance Act of 1982¹ unless steel, iron, and manufactured products (using iron and steel) used in such project are produced in the United States. Approximately \$30-40 billion is funneled annually to the states by the Federal Highway Administration for construction of roads, bridges, etc. “Buy America” also applies to federal funds given to states for mass transit projects used through the Federal Public Transportation Law.²

Because “Buy America” is exempt from the Trade Agreements Act (TAA) and the World Trade Organization’s (WTO) Agreement on Government Procurement (GPA), Congress has broad flexibility to strengthen “Buy America” requirements to create U.S. jobs. Among the ways this can be done is by expanding product coverage beyond iron and steel components to other products such as machinery, textiles, and additional raw materials.

¹See U.S.C. Title 23 §313

² See U.S.C. Title 49 §5323j

Expand coverage of the Berry Amendment to the U.S. Department of Homeland Security (DHS)

The Berry Amendment³ (Berry), originally enacted in a 1941 defense appropriations act, requires the U.S. Department of Defense (DOD) to procure domestically produced or grown items, including food, clothing, fabrics, specialty metals, and hand or measuring tools with 100 percent U.S. content. If Congress applied Berry to DHS, it would cover the Transportation Security Administration (TSA) immediately, as TSA is exempt from the TAA and GPA. Applying Berry to DHS would not require any new appropriation, but it would create U.S. jobs right away because of U.S. content requirements.

In conclusion, the true value of the proposed stimulus package will be measured by its ability to impact as many U.S. workers, companies, and communities as positively as possible. Clearly, these funds should be dedicated to the benefit of our national economy as opposed to simply transferring more U.S. wealth offshore through the unnecessary purchase of imported goods and services. For these reasons, we respectfully request that you please incorporate the recommendations outlined in this letter in any stimulus package that the Obama Transition Team submits to Congress. Thank you for your consideration of this very important matter.

In addition, we would be pleased to provide more detailed information, including proposed legislative language.

Sincerely,

American Manufacturing Trade Action Coalition (AMTAC)
National Council of Textile Organizations (NCTO)
National Textile Association (NTA)
United States Industrial Fabrics Institute (USIFI)
UNITE HERE (formerly the Union of Needletrades, Industrial and Textile Employees and the Hotel Employees and Restaurant Employees International Union)

³ See U.S.C. Title 10 §2533a