

RAHALL Weekly Report

SPECIALTY METALS

An important legislative measure was approved by Congress during the last hours of the First Session. It was the Defense Appropriations Bill.

The first provision is found in the report which accompanies the Senate bill. In Title VII of that report, the Conferees accepted language directing "the Secretary of Defense to prepare a final report to the Congress by November 1, 1984 and an interim report by April 1, 1984" on the Department's purchases of foreign specialty metals products. In that report the Secretary "shall state the product purchased, the dollar value of the purchase, the foreign sources of the specialty metals contained in the product, and the reason the procurement was made from a foreign source."

Several weeks ago when the House debated H.R. 4185, the House Department of Defense Appropriations Bill, I intended to offer an amendment that would have strengthened the Buy American provision for specialty metals by deleting the Department of Defense's waiver authority. However, the section of the bill I was to offer my amendment to was deleted on a point of order thus preventing me from offering the amendment.

While this language in the report will not provide direct relief to our domestic Specialty Metals Industry, it does instruct the Department of Defense to inform Congress of how much specialty metals they purchase from foreign sources and the reasons why. Many in the Specialty Metals Industry feel that the Department has abused the waiver authority Congress provides to it for the purchase of foreign sources of specialty metals. In August, the General Accounting Office completed a report for the Congressional Steel Caucus on the use of the waiver provisions by the Department of Defense. In that report the GAO stated that the Department of Defense could provide information only on the specialty metals products it purchased overseas

that are not made in the United States. The Department of Defense did not have records on the specialty metals products it buys from foreign sources which are available from domestic manufactures.

At a time when our industry faces problems with closed foreign markets (e.g. our companies are not even allowed to bid on contracts that originate with certain foreign defense departments), and subsidies by foreign governments for their specialty metals industries Congress must do all it can to see that our domestic Specialty Metals Industry is not destroyed. Our industry is recognized as the world leader in developing new products. We cannot afford to stand by and watch this vital segment of our industrial base erode by the same cancer that has afflicted so many of our industries. This report language will give Congress the data it needs to determine whether or not our Department of Defense is establishing its own trade policy that is detrimental to our Specialty Metals Industry which supplies important component parts for airplanes, nuclear reactors, and other advance weapons systems.

Secondly, I support a section in the Senate bill, again agreed to by our Conferees, which prohibits the Department of Defense from purchasing foreign sources of coal and coke for use at our defense facilities in Europe. This provision will help prevent the economic loss and hardship that would be associated with these contracts being awarded to foreign firms.

These two provisions, which were accepted during Conference, are very important to West Virginians because they help assure jobs for Americans. We must do all we can to protect jobs for our constituents. My state, West Virginia, still leads the nation in unemployment with 15.1% of its workers without jobs. Since such a large portion of our federal budget is spent for our nations defense it is important during these times of high unemployment that our tax dollars be spent on American products which put Americans back to work.