

Murphy Releases Exclusive Report: Federal Contracting Policy Costs Hundreds of Thousands of U.S. Jobs

NEW BRITAIN - Congressman Chris Murphy, Chair of the House Buy American Caucus, was joined by local manufacturers and advocates for American manufacturing to unveil a report showing that federal policies of the Department of Defense are costing as many as 620,000 American manufacturing jobs. By issuing over 161,000 waivers to the Buy American Act, the Department of Defense has sent \$53.5 billion to overseas contractors since 2007.

"This report confirms what I have been hearing from manufacturers across Connecticut. Work that used to be done in Connecticut is now being done overseas, and it's costing us jobs here at home. Far too often, Buy American is a nice slogan, but not a practice in our federal agencies. We may not make every piece needed for a major project, but we certainly could be doing a better job of looking to American companies first for goods and services," Murphy said.

The Buy American Act, which has governed federal procurement since 1933, is full of loopholes and exceptions that allow billions of dollars to flow out of the country each year. Two of the biggest loopholes allow for waivers for any product that is to be used overseas, or for products in which the Department of Defense finds that there are no domestic suppliers.

Unfortunately for too many domestic suppliers, the Department of Defense says that it cannot find a product in the United States when in fact that product is made right in the U.S. This happened to Colonial Bronze in Torrington when the U.S. Air Force asked for a waiver to construct a new facility at Eielson Air Force Base in Alaska. Rep. Murphy wrote to the Air Force requesting that they immediately rescind this waiver.

John Bogart, President of Integro said: "Manufacturing in America creates good jobs in America that ripple through the economy. Integro petitioned the federal government to enforce existing Buy American laws. Since doing so, Integro and its suppliers have seen increased sales that have helped both the company and the community"

Jamie Gregg, President of Colonial Bronze said: "Instead of looking at my company to supply the products that the Air Force needs, they issued a waiver, saying that these products were only made in China. Careless investigations into American made product availability like these are not only hurting my company and the families we employ, they are destroying U.S. manufacturing."

John Harrity, who heads GrowJobsCT, an advocacy group for Connecticut manufacturing, said: "We need to stop these waivers so that we can stop the exodus of jobs out of Connecticut and out of America. Every time a waiver is issued, so is a pink slip. We have to stop this and we thank Congressman Murphy for taking real action."

As Chair of the bipartisan Buy American Caucus, Congressman Murphy has worked to reform the Buy American Act in a way that will re-ignite U.S. manufacturers. For example, he is the author of the "American Jobs Matter Act," which would allow government agencies to consider the number of American jobs that would be created from federal contracts.

Highlights of Murphy's Buy American Waiver Report:

- The Department of Defense issued 38,498 waivers to the Buy American Act last year and 161,711 waivers over the last four years.

- The total amount of contracts awarded to foreign firms through a waiver of the Buy American Act was \$15.8 billion last year, up 13% from 2009. In total, we have sent \$53.5 billion to overseas manufacturers over the last four years.

- This may cost the United States as many as 620,000 lost jobs.

- Reporting from the Department of Defense fails to account for the billions of dollars that are spent every year on products that only meet the minimum standards of the Buy American Act.

- It wasn't until FY2007 that there was itemized, categorized, complete reporting on purchased goods manufactured overseas.

The report is attached and can also be found at ChrisMurphy.House.gov.

#30#