

# United States Senate

WASHINGTON, DC 20510

December 20, 2013

The Honorable Barbara Mikulski  
Chairwoman  
Committee on Appropriations  
Room S-128, The Capitol  
Washington, DC 20510

The Honorable Richard Shelby  
Ranking Member  
Committee on Appropriations  
Room S-128, The Capitol  
Washington, DC 20510

The Honorable Richard Durbin  
Chairman  
Subcommittee on Defense  
Committee on Appropriations  
Room S-128, The Capitol  
Washington, DC 20510

The Honorable Thad Cochran  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
Room S-128, The Capitol  
Washington, DC 20510

Dear Chairwoman Mikulski, Ranking Member Shelby, Chairman Durbin, and Ranking Member Cochran;

As you are aware, Congress has agreed to a bipartisan budget framework for the next two years that will allow the Senate to return to regular order. The Senate Appropriations Committee has an important role to play in appropriating funding for programs critical to national security. As you consider funding for the Department of Defense, I'd like to bring to your attention a matter of urgent concern. As you are aware, in the Fiscal Years 2012, 2013, and 2014 budget deliberations, we debated and addressed particular concerns related to our country's tank industrial base. In the 2012 and 2013 Defense Appropriations bills, the Committee concurred with the Armed Services Committee and took actions to avert unnecessary risk to this national capability as the Army further evaluated the implications of its production plans. The Senate recently passed the National Defense Authorization Act for Fiscal Year 2014, which, for the third year in a row, recognized the crucial contributions our domestic tank industrial base provides to our national security and authorized funds to preserve this capability. As you consider legislation for the FY2014 Defense Department, I ask that you similarly evaluate the needs of this capability.

Any discussions on the future of the tank industrial base must consider the total cost and challenges of restarting a production line after a period of shutdown. Despite their original proposals, Army leaders have since recognized the perils and cost implications of shutting down Abrams production, only to try to restart it several years later. In written responses to questions I posed at an Armed Services Committee hearing on the FY2013 Army Budget Proposal, General Ray Odierno, Chief of Staff of the Army, stated that the "the Army is not shutting down the Joint Systems Manufacturing Center (JSMC)" and it plans to sustain the industrial base through Foreign Military Sales (FMS). He further noted that "this additional production will help mitigate most of the vendor risks, and the Army is analyzing other mitigating activities for vendor capabilities not addressed by increased FMS sales."

While I welcomed this policy reversal, I remain concerned about the Army's plan to avert risk to the Abrams industrial base. First, the lack of sustained domestic production places the industrial base at the whim of foreign customers and increases the risk we ask our foreign partners to shoulder, making purchases even less attractive. Additionally, export vehicles fail to sustain the most advanced elements of our production capability – one of the most important capabilities the Army says it needs in a few

years. While the Army is analyzing other mitigating activities for these capabilities, the efforts to fully understand this problem are still ongoing.

More significantly, the current projections for FMS mean mitigation will be necessary for far more than a small slice of unique, high-end capabilities. While we continue to support efforts to increase FMS, the currently planned and expected sales fail to provide the minimum amount of work necessary to sustain the industrial base until new, domestic Abrams production is slated to restart. Multiple FMS cases that the Army expected in future years have either failed to materialize or have been reduced in scope. Despite their plans to rely on FMS, the Army has not produced a proactive strategy to address the lack of foreign production slated for FY2016 or FY2017. Ordering long-lead items for 2016 production will be necessary near the end of FY2014. Challenges the Army faces in implementing its stated plan result in unnecessary risk to an industrial base that the Army now recognizes must be adequately maintained to ensure its preparedness for future Army tank requirements.

I recognize this is one of many issues facing the Committee, as you assess the needs of our Defense Department within the framework of our current budget environment. As the Committee has acknowledged previously, appropriately addressing this matter in the near-term will save taxpayer dollars over the longer-term and ensure we maintain a critical defense capability on which our country is slated to rely for decades to come.

I appreciate your support of our nation's tank production capability, and I look forward to working with you to ensure there is adequate planning and resources to continue this capability into the future.

Sincerely,



Rob Portman  
U.S. Senator