VA PROCUREMENT: MADE IN AMERICA

HEARING

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OF THE

COMMITTEE ON VETERANS' AFFAIRS

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C O N T E N T S

WEDNESDAY, SEPTEMBER 20, 2023

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U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 3:16 p.m., in room 360, Cannon House Office Building, Hon. Jen Kiggans [chairwoman of the subcommittee] presiding.

Present: Representatives Kiggans, Radewagen, Mrvan, and Pappas.

OPENING STATEMENT OF JENNIFER A. KIGGANS, CHAIRWOMAN

Ms. KIGGANS. Good afternoon. I apologize for the delay, but thank you all for being here today as the subcommittee conducts this important oversight hearing.

In Fiscal Year 2021, VA ranked fourth among Federal agencies in procurement dollars obligated at $34.3 billion and second in number of contract actions at $1.8 million. To put it simply, the VA buys a lot of stuff, from personal protective equipment (PPE) to pharmaceutical drugs, hearing aids, and much more, VA's mission to care for our veterans comes with tremendous purchasing power.

Congress and both this administration and the Trump administration made it a priority to ensure the Federal Government is buying American made products to the greatest extent possible. Buying from manufacturers in Virginia's Second congressional District, Indiana's First District, Mr. Mrvan's district, and every other district in America not only supports American workers, but makes VA's supply chain more secure.

As we saw during the COVID pandemic, a large percentage of medical supplies are manufactured overseas, and VA is extremely vulnerable to shortages if global supply chains are interrupted. We cannot afford to ignore this glaring weakness. In response, Congress passed the Make PPE in America Act, which changed how the VA buys PPE by requiring the VA to buy from domestic manufacturers on a minimum 2 year contract. I am concerned that a year and a half after this law was enacted, there appears to be very little that has changed. I understand that new legislation takes time to implement, but issues at VA do not normally get better with time.

A recent Inspector General report highlighted significant issues with VA's compliance with decades-old made in America laws. I recently heard from industry leaders that as of a few months ago, the

VA did not even seem to have a plan to implement the law, which is concerning. I am eager to hear from our witnesses on what progress the VA has made in the past 18 months, and what we can expect going forward, because American companies and veterans they hope to serve do not have decades to wait.

Many American companies have overhauled their production lines to meet VA's demand for world class goods and supplies. The VA must similarly change their procurement process to step up their outreach and market research to identify opportunities to work with American companies. I am concerned many of these companies will be forced to close down their operations if the VA does not immediately follow the law and take a more proactive approach to buying American.

With that being said, I know that there are occasions when the VA needs to buy critical supplies from outside our borders. The VA has many waivers and exceptions at their disposal. If the VA is unable to buy the materials they need from domestic manufacturers quickly and at a reasonable price, they can use these waivers. Waivers are stop gaps that allow VA to serve veterans even when American supplies are not available. I support having waivers as an option because even when supply chains fail veterans must come first. While I have no issue with the VA using waivers, I am concerned that reports show they are sometimes a crutch for VA bureaucrats to cut corners rather than buy American. The waiver process needs to be transparent so the public can be confident that VA is following the law and buying quality American supplies whenever possible. Waivers must also be limited so American companies can invest with the confidence that VA will buy domestically whenever it is practical, not just when it is convenient.

I would also like to note my concern over our reliance on foreign manufactured pharmaceuticals, especially those made in China. As a nurse practitioner, I know firsthand that many Americans, especially our older population, rely on life saving drugs. VA alone cannot fix this issue, but I look forward to hearing how the VA intends to help incentivize onshoring pharmaceuticals in solving this dangerous situation.

Ultimately, as the chair of the oversight arm of this committee, it is my job to ensure that the VA is spending its procurement dollars wisely and in compliance with Made America laws. I take this matter seriously, and I trust the witnesses do as well.

With that, I now recognize Ranking Member Mrvan for his opening comments.

OPENING STATEMENT OF FRANK J. MRVAN, RANKING MEMBER

Mr. MRVAN. Thank you, Chair Kiggans.

The importance and impact of Buy America for the Federal Government is something that is felt at a very local level in Indiana. It is because of these laws, which were reinforced by the Bipartisan Infrastructure Act, that we can advocate for the use of the American steel in Federal infrastructure projects. This impacts the lives and livelihoods of many Americans across the country.

President Biden has made investing in our manufacturing base and strengthening our supply chains a priority during his adminis-

tration. The creation of the Made in America office, which was codified by the Bipartisan Infrastructure law, provides a central clearinghouse to ensure that the billions of dollars spent for goods and services by the Federal Government each year take into account investments in American industry. The administration, as well as the committee, understand that we must learn the lessons of the pandemic and ensure that critical supplies like PPE have a domestic manufacturing base. Relying on foreign products in a time of crisis is a flawed strategy that unfortunately was felt directly by the VA employees and veterans. This requires a concerted effort across VA to comply with the laws and the Presidential directives in place to provide opportunities for American companies to provide personal protective equipment and other supplies. Without a consistent demand for these products, we cannot ensure that American companies will be around for the next crisis.

As I have discovered, since joining this committee, VA has had significant issues and hurdles surrounding the purchase and tracking of supplies. The continued overuse and reliance on purchase cards at medical centers hinders VA's ability to track whether supplies purchased are American made and provide zero insight on a national level to the needs and requirements of medical centers so that VA can use its purchasing power to gain cost efficiencies. The continued use of purchase cards also means that medical centers are also not making use of the large Medical Surgical Prime Vendor (MSPV) contracts and blanket purchase agreements. These contracts are in place for the benefit of the medical centers and provide greater accountability and insight into the medical centers and veterans' needs.

I realize VA is doing their best to change course on this, but I would like to know how Congress can support this effort. We need this data for VA to ensure we are purchasing American products and to assist our oversight.

Because of the decades of lack of emphasis on domestic manufacturing, this endeavor that I strongly support is a Herculean task. It is not often that both parties can agree that we need significant Federal investment and coordination. That is, what will it take to make a dent in this issue? VA cannot do it alone. It will require continued support from the White House and Congress to ensure we are investing in American manufacturing.

With that, I look forward to hearing from our witnesses, and I yield back my time.

Ms. KIGGANS. Thank you, Ranking Member Mrvan.

We will now turn to witness testimony.

Testifying before us today we have Mr. Michael Parrish, Principal Executive Director of the Office of Acquisition Logistics and Construction and Chief Acquisition Officer, and Dr. Angela Billups, the Executive Director of the Office of Acquisition Logistics and Construction and Senior Procurement Executive (SPE), and Mr. Andrew Centineo, Executive Director for Procurement and Logistics from the Veterans Health Administration (VHA), and Dr. Thomas Emmendorfer, the Executive Director for the Pharmacy Benefits Management Service.

Will all the witnesses please stand and raise your right hand. We will swear you guys in.

[Witnesses sworn]

Let the record reflect that the witnesses answered in the affirmative.

Mr. Parrish, you are now recognized for 5 minutes to provide your testimony.

STATEMENT OF MICHAEL PARRISH

Mr. PARRISH. Thank you, Chairwoman Kiggans.

Good afternoon, Chairwoman Kiggans. Ranking Member Mrvan, and members of the subcommittee. I am pleased to appear before you today to discuss the VA procurement and Department's compliance with domestic preference rules such as Made in America that govern the purchase of goods and services from American sources.

As stated, joining me today are my colleagues, Dr. Angela Billups, the Executive Director for the Office of Acquisition and Logistics and our Senior Procurement Executive, Mr. Andrew Centineo, our Executive Director for Procurement Logistics from the Veterans Health Administration, and Dr. Thomas Emmendorfer, the Executive Director of Pharmacy Benefits Management Services, also from VHA.

VA complies with the Buy America Act by following the standardized guidance in the Federal and VA mandates. The Department works diligently to purchase goods made in America whenever possible and we are committed to the full implementation of our statutory requirements. We are working in collaboration with other Federal entities as well as industry, to identify U.S. made products and to support the rebuilding of U.S. manufacturing capacity. As a result, the vast majority of what we purchase comes from domestic sources.

As stated, the COVID–19 pandemic heightened awareness of our dependence on markets outside the United States for raw materials in the manufacture of certain products. This dependence is not just a VA problem, it is a national problem that is been decades in the making. Essential healthcare items such as Personal Protective equipment, or PPE, and pharmaceuticals are two examples where U.S. dependency on foreign markets over the years has actually increased in addition to the known information technology challenges. Nonetheless, VA is committed to working with other federal agencies to communicate to industry the importance of domestically produced products, as well as to identify American made products and support the rebuilding of the United States manufacturing capacity.

In those instances when VA is unable to buy American made products, we carefully follow the rules and regulations and have established procedures for requesting a waiver or applying an exemption. I personally review each of these requests. For example, in Fiscal Year 2023 VA has requested and received 52 waivers, 23 of which are for pharmaceutical purchases by our mail order pharmacy program. This is just over $9 million in total spend for pharmaceuticals with approved waivers for this fiscal year. As VA is projected to spend $5.1 billion on pharmaceuticals, the approved waivers represent approximately 0.2 percent of the total pharmaceutical finished product spend for our mail order pharmacy program.

It is important to note that these foreign purchases are our last resort, as you stated. We only approve them because they are in the best interest of the veterans and we cannot find an American source. These products are always Food and Drug Administration (FDA) approved and commercially available. VA is continuously engaged in efforts to increase opportunities to purchase domestically manufactured products. Many drugs, for example, require ingredients that come from or are manufactured in markets outside the United States. With the veteran's healthcare needs as our priority, it is not always possible to obtain the required medication from a domestic source. The Food and Drug Administration Office of Pharmaceutical Quality's most recent annual report states that only 42 percent of pharmaceutical manufacturing sites are U.S. based, with the rest of the world accounting for 58 percent.

However, compliance is not enough, and neither is the status quo. We are on offense when it comes to "Made in America" compliance. We are proactively increasing our outreach efforts and partnerships with American industry, resulting in invaluable industry insights on the domestic availability of products, market trends, best practices and innovations. Our pathfinder tool that you may be aware of, pathfinder.VA.gov, is one method of capturing this market data. Another example is VA is piloting a program to find domestically manufactured drug products.

VA also remains committed to exploring and supporting with our industry partners all opportunities to make PPE in America. The journey requires support beyond the Federal healthcare space of VA to achieve that goal while maintaining supply chain resiliency and to reduce dependency on overseas markets for these PPE requirements. In April 2023, VA participated in a Make PPE in America Industry Day hosted by the Department of Health and Human Services (HHS). At that joint event, all Federal agencies expressed their commitment to work toward full implementation of the Make PPE in America Act, with the end State of buying 100 percent of Made in America PPE. Unfortunately, in many circumstances, we found that certain inputs of PPE are not yet manufactured in the United States, as much of the raw materials are manufactured overseas.

Our efforts also extend beyond PPE and pharmacy as we work in support of increasing the purchase and manufacture of all products made in America. Regarding infrastructure and the Buy America, Build America Act, to date, we indeed have had only two waivers, and that is because we are complying with the law. We have incorporated construction clauses in all our contracts and are enforcing that America made materials are used in all of our construction projects.

Additionally, we are working closely with our interagency partners to address foreign owned and controlled interests, to identify and mitigate cybersecurity vulnerabilities, as well as potential threats to our supply chain, and to protect our veterans' information, both personal and health data.

As a Chief Acquisition Officer and Senior Accountable Official for the Department, I am a very strong proponent of purchasing products that are made in the United States, and I welcome all industry partners who can meet the FDA and Made in America compli-

ance requirements. Additionally, we embrace the opportunity to continue to partner with you and your staff, as well as the White House to improve our national manufacturing base. Our veterans deserve no less.

Chairwoman Kiggans, Ranking Member Mrvan and members of the subcommittee, I agree with your concerns, and I thank you for the opportunity to speak about VA procurement and the opportunities to increase manufacturing production in the United States and to reduce our dependency on overseas markets for certain raw materials and finished products.

My colleagues and I are pleased to answer any questions you may have.

[THE PREPARED STATEMENT OF MICHAEL PARRISH APPEARS IN THE APPENDIX]

Ms. KIGGANS. Thank you, Mr. Parrish.

We will now move to questions, and I yield myself 5 minutes first.

A September 2022 Office of Inspector General (OIG) report detailed issues with Buy American Act compliance at Regional Procurement Office Central. The report found that "contracting officers did not always meet the intent and requirements of the Buy American Act because of insufficient oversight and training." The OIG found over half of sample contracts and associated files contained evidence of non compliance with the Buy American Act and associated laws, regulations, and policies.

Dr. Billups, what has the VA done to correct this?

Dr. BILLUPS. The VA actually started working on the Buy American Act (BAA) and trying to make some corrections because we actually received a similar finding in the 2018 timeframe from Government Accountability Office (GAO). One of the things that we did at that time, we established some new training. In addition to establishing the new training, we did a stand down day, to say 100 percent of the workforce needed to attend the training, and the BAA was part of that training at that time.

Some of the things that we also did at the end of that—going into 2020, we did a compliance review so that we could see how we were doing. We did find that we were not doing as well as we had hoped to do. So, you fast forward to 2021 when Infrastructure Investment and Jobs Act (IIJA) was passed, some of the things that we did then: we took all of the information that we had learned from the previous updating of the training, as well as helping people to understand what are the things they should do, we implemented some new guidance, we put some tools into the guidance so that they would know the things they needed to think about when they were making these purchases.

In addition to that, at the beginning of Fiscal Year 2023, all the information that we had learned, we established an innovation lab where there was participation across all of the buying activities. Everyone had to have a representative in that innovation lab so that we could all understand the problems are, what are the things that we need to do. We implemented those things in the 2023 timeframe, and we are already scheduling a lessons-learned as it relates to the Buy American Act, IIJA, the changes for Fiscal Year 2024. The planning started for that in September, and of course,

we will let the buyers get through the end of the Fiscal Year and we will start that new innovation lab. Hopefully we will learn something today that will also be useful for that purpose.

Ms. KIGGANS. Great.

Could you share one of or some of what those lessons learned were? Do you have maybe a few top three or four?

Dr. BILLUPS. Some of them was that people just did not understand the—like in the Buy American Act itself, so much a percentage of the materials and those percentage of those materials have changed over the years now that there are emphasis on Buy American. They did not understand the difference between the manufacturer in America and the component piece and putting those two things together. They did not really understand what they were looking at.

Some of the other areas was sometimes people would look at the Trade Agreements Act and the Buy American Act and there was some confusion between those two Acts. Then you turn around and throw IIJA on top of that, which is a little different from even Buy American in 100 percent components, 100 percent manufacturing. We continuously reach out. I have my compliance group to just look at all of the different awards that we are making so that we can make sure we are following. When we find there is a compliance issue, we immediately reach out to those heads of those contracting activities.

Ms. KIGGANS. Some continuous training, it sounds like, and oversight.

Dr. BILLUPS. Yes.

Ms. KIGGANS. I am glad to hear the VA is taking the issue seriously.

However, the Make PPE in America Act went into effect 18 months ago and brought about significant changes to how we buy PPE. I am concerned the VA's past issues complying with the Buy American Act do not bode well for the Make PPE in America Act implementation.

Mr. Parrish, has your office published any guidance on the Make PPE in America Act yet?

Mr. PARRISH. Ma'am, let me go back to—if I can respond also to your previous question, just other data points so you are aware, is we have submitted for closure those open items to the OIG as far as the training, and we have also had ongoing trainings. We said we just had our nationwide enterprise-wide acquisition workforce summit, where Made in America training was reinforced, was retrained there.

When it comes to the PPE Made in America Act compliance, let me pass that off to Mr. Centineo and he could talk more specifically about that.

Mr. CENTINEO. Thank you for that question.

For Made in America, as was discussed earlier, in April we met with all of our Federal partners, we engaged with industry. Over 600 participants were in the event with the Federal and the industry partners that were there. We have continuous outreaches, we have biweekly engagements with those folks that are actually vendors, suppliers, and manufacturers with the VA. We continue to have that outreach every 2 weeks with our programs that are with-

in the Medical Surgical Prime Vendor Program, which was mentioned earlier.

Then the larger purview is the PPE industry. In that PPE industry we have got about 1,500 products for our product list that we are expanding to look at. We have inputted, and we have asked for self-certification, which we have received 109 products on our product list self-certified by vendors to say that they are 100 percent Made in America. We continue to have an outreach every single time. We let our folks know if there is a product that is out there, please let us know, because we want to move in the direction where industry is so that we are absolutely compliant with that.

As was mentioned earlier in some of the opening remarks, this is a decades long challenge, so industry realizes it and they are leaning toward us the same way we are leaning to them to be partners in this.

Ms. KIGGANS. My time has expired. Thank you very much.

I would now yield to Ranking Member Mrvan for his questions.

Mr. MRVAN. Thank you, Chairwoman.

Mr. Parrish, as part of the bipartisan infrastructure law, the Build America, Buy America Act re-emphasizes the requirement for Federal infrastructure to use domestically produced steel, which I am a huge proponent of. Can you explain to me or to the committee how you are overseeing the use of U.S. steel on all VA infrastructure projects?

Mr. PARRISH. Thank you for that question, sir.

As I mentioned that we only have two waivers in place. We are mandating that the Made in America material requirements, in particular, are covered on all our construction projects.

The way we do that is, we have our resident engineers for the major construction projects. They are onsite and they validate the bill of materials, and they ensure that all the products that are coming into the system to include steel—because I agree with you that it needs to be America made steel—they are indeed America made. The other part that we have is we have an Indefinite Delivery Indefinite Quality (IDIQ) contract, and we have 13 service disabled veteran owned small businesses around the Nation that handle our construction management services. Part of that independent review is also to make sure that we have a double check on ensuring that with the Buy America Build America Act.

Mr. MRVAN. Okay.

There is a current backlog for infrastructure projects at the VA, and I hope that Congress can put more of an emphasis on funding these requirements. They directly benefit veterans as well as domestic manufacturers.

Mr. Parrish, are you aware of what the current backlog of infrastructure projects at the VA would cost?

Mr. PARRISH. Yes, sir. We have had significant discussions about infrastructure where we are looking at the next coming years as being our year of infrastructure. As you are well aware, that our facilities debt, if you will—the average age of our facilities are over 60 years old when the average age of civilian hospitals are approximately 18. We have a lot of challenges on maintaining and ensuring that we properly size and focus on the—with the The Sergeant First Class Heath Robinson Honoring our Promise to Address Com-

prehensive Toxics (PACT) Act in particular—on where our veterans are moving to.

I am aware, and I believe that we have other presentations for you at different dates for that.

Mr. MRVAN. Okay.

Then my follow-up question, do you know how much the VA has appropriated for infrastructure projects in Fiscal Year 2023?

Mr. PARRISH. I do not have that off top of my head, but I could find out for you, sir.

Mr. MRVAN. Okay.

With that, I yield back.

Ms. KIGGANS. Thank you very much.

The chair now recognizes Ms. Radewagen for 5 minutes.

Ms. RADEWAGEN. Thank you, Chairwoman Kiggans, Ranking Member Mrvan, for holding this hearing today. This is an issue which is very important to my home district.

The administration's overuse of exemptions harms local economies like American Samoa's fishing and canning industry. We are in direct competition with foreign processors who underpay their workers and have lower standards for illegal and unreported fishing. This not only harms our economy and the environment, but a lack of support for American industry and self sufficiency opens us up to national security concerns. Unscrupulous actors, such as China, who do not have the same commitment to quality and safety as the U.S., will capitalize on every bit of business we cede to other countries, be that directly or indirectly.

Our agenda today focuses on VA procurement, but the importance of upholding the Buy American Act across the board cannot be understated.

These questions are for any of the VA witnesses.

Roughly how many nonavailability waivers has VA granted since Executive Order (E.O.) 14005 was issued in January 2021?

Mr. PARRISH. I did mention in my hearing, ma'am, that for the year, we have had 52 waivers. The full—since 2021. I do not know if we have—we will have to take that for action and get you information.

Ms. RADEWAGEN. What types of products has VA historically requested non availability waivers for? Excuse me.

Mr. PARRISH. Sure. Since they come to me personally, like I said, I review every single one of the packets and that, you know, gets through a rigorous process through Dr. Billups' organization and mine. It is always started—you know, as I say, acquisition is a team sport. Those requirements start at the clinical level and are clinically driven for how we serve our veterans. Half of them or majority of them are pharmaceutical, as I mentioned in my initial address. Also we have quite a few of medical devices that we have come through.

Ms. RADEWAGEN. Okay. Anybody else want to jump in?

What steps has VA taken to identify domestic producers of these types of products and what groups have you worked with?

This is for any of the witnesses.

Mr. PARRISH. Sure. I mentioned mine, so I will pass it off to—let me start with Mr. Centineo, and he could talk about the—what

we are doing with medical and maybe pass it off to Mr. Emmendorfer for pharma.

Mr. CENTINEO. Sure. We have continuous outreaches. We have one of the great partners that we have is a coalition for government procurement, a major nonpartisan group that meets with us, and it is small and large businesses, and we engage with them continually. We get feedback from them because of the fact that they have a large market share of the medical supply business, both supplies and equipment. We are able to have those engagements with that particular group. Then we also do it with, as I mentioned earlier, for our medical supply program, and that is a continual process as we move toward our next generation of our Medical Surgical Prime Vendor.

I will pass it to Tom.

Mr. EMMENDORFER. Thank you for the question.

We do have a pilot that was initiated as a joint Federal initiative with the White House and the Made in America Office. We selected two drugs from the Food and Drug Administration's drug and biologic essential medicines, medical countermeasures, and critical inputs for the list described in section three of the Executive Order 13944. The two drugs that we selected were atropine injection and hydralazine injection. The reason that we selected those drugs is because they are injectable drugs, have been known to be prone to drug shortages, and so we have developed those clinical requirements and giving a preference toward domestic manufacture.

The reason that we just started with two for the pilot is when you look at the Food and Drug Administration Center for Drug Evaluation and Research report on the state of pharmaceutical quality, they estimate that 52 percent of the essential medicines are completely reliant on foreign manufacturing sites. That means that we are really—VA, we are trying, but we also are moving at the speed of industry.

When you look at the report, about 8 percent of the essential medicines, the critical input, the active pharmaceutical ingredient that makes up the final drug dosage form, those are made solely domestically. Then when you look at the manufacturing of the final dosage form, that goes up to about 18 percent being available completely domestically. If the pilot is successful, we will definitely look at expanding it.

Mr. PARRISH. I will also add Congresswoman, that we work very collaboratively with the Made in American office and the White House, along with our other partners, both industry and other Federal agencies.

The other thing, because I am actively pursuing American products, and as I mentioned in my original testimony, that some of the concerns is there are some American manufacturers but they are not fully through the FDA approval process. I think that is something that we can help them with or all of us as government can help with.

The other part is, as I mentioned, Pathfinder. We created this tool mainly to be able to capture new manufacturers and new vendors for us. We have to date had about 1,000 submissions that have helped us identify people that could actually produce the products for us as needed.

Ms. RADEWAGEN. Thank you, chairwoman.

I yield back.

Ms. KIGGANS. Thank you, Ms. Radewagen.

The chair now recognizes Mr. Pappas for 5 minutes.

Mr. PAPPAS. Thank you very much.

This subcommittee has had several hearings over the last few years on supply chain modernization. There were concerns before the pandemic when VA acquisition was added to the high risk list, there were certainly serious concerns during the pandemic when we saw widespread disruptions to the availability of the supplies that VA needed, and obviously since as efforts to modernization unfortunately have not moved forward as quickly as many on this committee would like. We thank you for your work and your commitment to getting this right.

I am hearing issues from veteran owned small businesses around this matter where medical centers are continuing to use purchase cards rather than some of the already competed tools, MSPV and blanket purchase agreement vehicles. I think this presents a real challenge for us to be able to track purchases and know exactly what we are buying and how we are buying American made products wherever possible.

I was wondering if the panel could answer that question around the purchase cards and what it will take to change things at VA to get away from this or to have better transparency into what we are actually purchasing with these cards?

Mr. PARRISH. Yes, thank you for that question, Congressman Pappas.

As you know, our supply chain modernization solicitation is ongoing and one of our known gaps, as you are well aware, when we started the supply chain modernization effort, is our lack of enterprise visibility into inventory management and inclusive of the Made in America aspect. You will note that the four key deliverables as a reminder of the supply chain modernization effort is enterprise visibility of inventory, so across all systems, it is also enterprise visibility of asset management, which is our capital equipment as well as our facilities, enterprise visibility of order management, and that gets to how are we buying things, and then the final one is this enterprise visibility, supply chain risk management.

I glanced over the idea of the foreign own controlled interest concerns. For everyone is, awareness is the way the foreign actors are operating they would come in and they would create a shell company, an American made company, that kind of perceives that they are American made when they are truly owned by potentially bad actors. One of the big concerns that we have in the enterprise acquisition teaming effort that we are doing in the spirit of jointness and transparency in VA, is to make sure that all entities are well aware of what we are doing is integrated. We have the Office of Information and Technology (OIT) team, our security team, our hospital staff, all ensuring that if we are forced to have to buy some of these foreign products, that there is no way, shape or form that they are able to touch our data or our systems. That is coming. That piece we are working actively on a human basis. With the

supply chain modernization effort, the goal is to be able to see that proactively and not react to that.

I am excited for the future, but it is going to take some time, probably another year or so before we get to that point.

Mr. PAPPAS. Do you have a sense of how big a problem this is?

Mr. PARRISH. For PPE using credit cards, it is about 42 million. It is not insignificant. It is a decent amount of money and I personally want to find a way to—and we are working across the processes to ensure that we are using best in class contracts, the category management, and other efforts. It is a training effort, but it is also a way to ensure that our field is using the contracts.

I think MSPV, the new Medical Surgical Prime Vendor contract, is in place. We have some enforcement mechanisms, as you know, with other kind of major programs to ensure that the distributor is able to deliver the products on time and on budget, because one of the backups or the excuses I have heard is, hey, we have had problems with a distributor, so therefore we got to use the credit card on an emergency buy. We want to make sure that—and I believe the new contract that is getting put in place should be able to stop that or significantly reduce that. We are focused on that effort.

Mr. PAPPAS. Well, thank you. I appreciate your attention to that. I think it is kind of a weak link here and appreciate any additional information you can provide on it.

I am just curious, when it comes to workforce and having the acquisition workforce that we need to be able to deliver on Buy America and the host of other challenges that you face in VA, can you tell us where we are there and what Congress can do to support you? Is it just appropriations? Are there other things that you need to ensure that we can hire up and have the workforce that is well trained and knowledgeable in these areas.

Mr. PARRISH. I think I will take that for action, come back and see you with a more full throated answer. My personal view is, I think that we again, not just VA, but as we do have gaps and we do have resource constraints and have dependencies, unfortunately, on contract staff, I believe that the hiring process in Federal Government could be improved to help speed the ability to get people through the system. We will take that and come back to discuss that further with you, sir.

Mr. PAPPAS. Okay, thank you.

I yield back.

Ms. KIGGANS. Thank you very much.

We will go to round two. I have a couple other questions, if any other members do as well.

Let us see. Recently I joined a domestic pharmaceutical manufacturing caucus that is bipartisan that we have here in Congress. I also was on even a panel this morning, healthcare panel. We were talking about some of the statistics of drugs that we import that are made in China. From that panel, some of the statistics were pretty shocking. That said, we import almost all of our over the counter pain medications from China, 70 percent of acetaminophen, 95 percent of ibuprofen. On top of that, 90 percent of prescription medications are made in China, including antidepressants, chemotherapy treatment for children and adults, medication for Alz-

heimer's, HIV, diabetes, Parkinson's, and epilepsy. A recent U.S. Department of Commerce study found that 97 percent of all of our antibiotics come from China. These are pretty shocking statistics. Would you say that the VA is aligned with these statistics, or what percentages—what we are trying really hard to at least have the VA focus on made in America pharmaceuticals. What percentages? Is it this high or is it different for the VA that relies on China for pharmaceutical drugs or components of those drugs?

Mr. PARRISH. I agree with your concerns, and it is a frustration for me personally. However, I will pass the details off to Dr. Emmendorfer.

Mr. EMMENDORFER. Yes. I mean definitely share your concerns, and thank you for the question.

With the contracting, we have to be compliant with the Trade Agreements Act. We do have cases where there is also another law, Public Law 102–585. For your innovator drugs where there is not any generics available, there are cases where our contracting officer does need to make an award where it is coming from a country that is not compliant with the Trade Agreements Act. That is really because we need to put the veterans first in their health care and their needs. I do want to assure everyone that when VA is procuring drugs, we are procuring drugs that are approved for sale in the United States by the Food and Drug Administration. The Food and Drug Administration has the overarching responsibility for ensuring that the manufacturing plants meet the quality standards to sell the drugs in this country, as well as meeting the safety and efficacy.

We do have some instances of drugs being on contract that are not compliant with the trade agreements.

Ms. KIGGANS. Do we test them in this country randomly at any point to ensure that we are getting a quality product?

Mr. EMMENDORFER. Thank you. That is another great question.

That responsibility—we are a healthcare system, so it is not our responsibility to be testing the end product. When that is being done, it is being done by our regulators, the Food and Drug Administration. They are responsible for ensuring that the manufacturing plants meet current good manufacturing practices. According to the one report that I referenced earlier, it does reference some of the sample and testing that the Food and Drug Administration does. We as an agency do not.

Ms. KIGGANS. Okay. We will make sure we get the FDA here next time.

Then you mentioned in the pilot program for the pharmaceutical drugs that you had two, injectables that you were starting with. What preference—are you prioritizing injectables or what is the rollout plan after those two?

Mr. EMMENDORFER. We preferenced—we selected two injectables because injectables can be more prone to some shortages, as I am sure you are aware with your background. The reason that we selected those two is because they are on the FDA's essential medication list. We have to start somewhere, so we are starting with those two. We submitted the clinical requirements at the end of June, and now our acquisition staff is—they are working on the acquisition package. We did give preference to domestic manufactur-

ers, for example, if the active pharmaceutical ingredient was sourced from this country. We built in some of those, so. We started with two drugs. There is a list, I want to say of about 186, so we had to start somewhere.

Ms. KIGGANS. What is the next down on the list? Are you just going to stay in the injectable department, or is there——

Mr. EMMENDORFER. I do not know. I think we just have to wait to see what happens with this contract and make an assessment and analyze the results. If we are able to make the award, try to determine through collaborative market research with our contracting officers where the next steps may take us.

Ms. KIGGANS. Great.

Then also we know that many of the components of pharmaceuticals and medical devices are produced overseas, and the VA only represents a small portion of the market. What would it take to truly reshore some of these pharmaceutical supply chains and medical device supply chains? What type of thing should Congress be focused on?

Mr. EMMENDORFER. I do not know that I can speak to that globally, but I did not provide the statistics on what part of the market share we represent and that I can speak to.

Our mail order pharmacy this year is going to spend about $5.1 billion. Our whole healthcare system as a whole spends right around $8 billion on pharmaceuticals. When you look at that into the context of what we spend in the United States for pharmaceuticals, that represents somewhere between 1 to 2 percent. I think with that type of market share, that is why we are kind of reliant on the speed of the industry as well. I do not know that we have the market share to make any significant shifts in where corporations and manufacturers may decide to manufacture their drugs.

Dr. BILLUPS. I would like to just add a little bit to that question—I mean to that response.

That is some of the things that we can do, a lot of times when you are looking at new areas that you kind of need to infuse industry, you really have to use other vehicles other than the Federal Acquisition Regulation. When I was the SPE at HHS, it was something happening with antibiotics and HHS has the authority to do OTAs, other transaction authority. Then that helped us at that time at HHS to have a cost sharing. Industry had their role, we had our role in the Federal Government and we brought those things together and we were able to get a result a lot faster than going through the processes that you have to go through with the Federal Acquisition Regulation.

That is one of the things that Congress can do to help us. Really just to understand the market that is out there now, because some of the guidance that we have and the way that we have to go about procuring things, it really does not help when you have the issues that we have in front of us that is impacting the entire country.

Ms. KIGGANS. I hear you. Trying to marry it with the civilian sector a little bit better.

Dr. BILLUPS. Yes.

Ms. KIGGANS. Thank you very much.

My time has expired. I yield to Mr. Mrvan for 5 minutes.

Mr. MRVAN. As I stated in my opening statement, our country has relied for decades now on foreign production of supplies and goods and I am very pleased to see that President Biden has made it a core issue to ensure that we invest in American manufacturing. VA is a part of this, but cannot do it on its own.

Mr. Centineo, do you have any information on what the market share for VA and Department of Defense (DoD) for the purchase of medical supplies?

Mr. CENTINEO. Thank you for that question.

Yes, and in fact, I mentioned earlier, our partners, the Coalition of Government Procurement, just sent us some information indicating that the market share that the DoD and VA possess is somewhere between 2 to 3 percent of the total supply chain. As was mentioned earlier, some of the conversation was we move at the speed of industry and we are all leaning forward to get there. The challenge is going to be to make sure that we have the right energy to get industry to be postured to do that so we can all be successful.

Mr. MRVAN. I guess one of the follow-up questions that I have, and the chairwoman alluded to it, but how is the private industry, along with you are moving at that same pace, is there a movement to onshore the production of pharmaceuticals here in the United States?

Mr. EMMENDORFER. Again, that is really outside of what we can control in VA on what industry is making decisions on manufacturing. We are trying to make efforts within our agency by developing the clinical requirements and trying to give domestic preference to some of the contracts.

The procurement decisions that are made out in the private sector, I can say that they are going to be procuring all drugs that are approved by the Food and Drug Administration. If you go to a private sector pharmacy, they are also going to be buying drugs that are approved by the Food and Drug Administration for sale in the country.

Mr. MRVAN. Okay. Part of the compliance with Buy America requires that there is standardization across the VA when procurement officials are purchasing supplies. The long-term solution to this supply chain modernization, but as we all know, that has had fits and starts for years.

What are you currently doing to push these requirements out to the Veterans Integrated Services Networks (VISNs) and medical centers to ensure compliance with the Buy American laws?

Dr. BILLUPS. Thank you for the question.

Some of the things that we are doing in 2024, some of what we are going to do is really identify those—because we know who the clinicians are. The clinicians come up with the requirements from the standpoint of what they need to support a patient. Then you get to that next step of the acquisition lifecycle, which is someone has to put that together. It gets over to the contracting office and the contracting office finally does contract execution. All of these things kind of have to be happening lockstep and what we are doing in VA in 2024 is bringing the right people to the table so everybody kind of understands.

It is just like, this morning we were talking about something and a comment came up around market research. Market research a lot

of times is thought about once the package gets over to the contracting officer. It is too late to think about market research when the package gets to the contracting officer because the market research should be done before you finalize your requirements development. It is all of these various types of things that we just need to bring the right people, bring them together in a way so that we can push forward some of these things that are very, very important in VA. As it relates to healthcare of veterans it is always very important and it does not matter whether it is one veteran or ten.

Mr. MRVAN. Okay.

With that, I yield back.

Ms. KIGGANS. Thank you. Mr. Mrvan.

The chair now recognizes Ms. Radewagen for 5 minutes.

Ms. RADEWAGEN. Thank you, Madam Chair.

Mr. Centineo, in remarks you recently gave during Make PPE in America Industry Day you discussed challenges VA faces acquiring domestically sourced PPE and noted industry issues domestically producing PPE. You also indicated VA was working to identify domestically produced PPE.

Can you explain VA's process for identifying domestic PPE sources?

Mr. CENTINEO. Yes. Thank you for that question.

As was mentioned in April, we met with our industry partners and with our Federal partners in the initiative for 100 percent Make PPE in America. Since that time, we have held not only our Medical Surgical Prime Vendor industry opportunities—again, I mentioned earlier, we have our bi-weekly engagements with industry. We actually met, it was mentioned earlier AWIS, the Acquisition Workforce Innovation Symposium, where industry was there. We engaged at all these opportunities and we continue to reach out and have outreaches. We have had outreach prior to that April timeframe for our Medical Surgical efforts, but this has actually hyper focused us on where we need to be with industry and working for industry.

Again, the industry feedback to us is, we will provide you the products. We have to make sure that the demand signal is there. It goes right back to the conversation of the earlier remarks of this is a decades long challenge that we have where everyone is in the same space for the same products. The challenge is that much of it has been overseas. We have to work with industry a little bit more closely, and we continue to do that on our outreaches continually through multimedia.

Ms. RADEWAGEN. Has VA entered into any PPE procurement contracts since the law was enacted? If so, what percentage of these contracts are compliant with the Make PPE in America Act?

Mr. CENTINEO. For our Medical Surgical Prime Vendor program we do not have contracts, we have blanket purchase agreements. Those are pricing agreements. Those pricing agreements are established through a solicitation that is actually done through tiered evaluation to be able to get to the vendor that can provide us those items at the best price and cost for the VA. Oftentimes those are service disabled, veteran owned businesses. Then we place our orders through what is called a Prime Vendor distributor or distribution contract. Our orders are placed to the distributor. Those dis-

tributors actually go to those suppliers to actually source the material. They are not contracts, they are pricing agreements. Our contracts are through our Prime Vendors sourcing distribution contracts.

Mr. PARRISH. I am sorry.

Ma'am, just to also add to that is part of the compliance for Made in America, those distributors, like on the construction side, they have to self-certify that they are compliant with the Made in America products. That is something we do.

I will also add that, as you are aware, there is an Independent Verification and Validation (IVV) law or bill that is being processed through the staff and through your areas, and we are not waiting on that, we are actually creating an IVV process ourselves. That is going to be used to focus on some of these self-certifications to do the independent validation and verification of items.

It is a long term process, but we anticipate having that in place as part of——

Ms. RADEWAGEN. How does VA ensure that the PPE it purchases from its vendors is Make PPE in America compliant?

Mr. PARRISH. That is the certification I mentioned. The distributors—you know, part of that MSPV contract was the Made in America compliance, that they self-certified, which if they are fraudulent about, that is a felony, violating Federal certification standards. Then the other part is we need to strengthen that. That is the independent validation component that I had just mentioned that we are putting in place.

Ms. RADEWAGEN. My staff has met with a number of organizations that manufacture PPE who feel that they are being under utilized by VA. Do you disagree with their conclusions?

Mr. PARRISH. I will personally state and just reinforce for all of our industry partners who are watching this and listening to us now, that we are looking actively and for you to come to sell to us. As I mentioned in my oral testimony, a lot of people are not fully certified, and that is part of the challenge. We will embrace and we fully want to buy from American manufacturers that are fully compliant. If they are there and we are not aware of it, I encourage them, again, use pathfinder.VA.gov to make us aware of it if we do not know who they are.

Ms. RADEWAGEN. Does the cost of purchasing domestic PPE ever dissuade VA from looking to work with domestic producers?

Mr. PARRISH. I do not think cost is our driver because we are focusing—one of the changes we are also doing in VA is focusing on best value for major programs. For commodity type purchases, as Mr. Centineo mentioned, that we are doing purchase agreements that are price structured, and then we buy from there through our distributors.

I do not know if you want anything.

Ms. RADEWAGEN. Add anybody else want to add to it?

Dr. BILLUPS. The only thing that I would add to that, the preference as it relates to the different pieces of legislation, one of the things that we also did, we have something that we—well, at the federal level they have something called a mythbuster around some of the issues with buying things. We adopted that concept at the VA. We recently did a mythbuster because one of the issues that

came up was, well, the only thing that we have to do at VA is look to see if we have two veteran owned companies. The answer is not that we have two veteran owned companies, because if you are buying PPE, you also have to comply with IIJA. What we did with the mythbusters, we just helped people understand what is that decision tree that you have to look at to get to, because in some cases the veteran owned company may not have a product that is 100 percent "Made in America" as well as 100 percent manufactured (in America), but there could be another small business or some other company. So the preference in that case, they would have to go to what company can comply with IIJA.

Ms. RADEWAGEN. I see.

Thank you, Madam Chairwoman. I yield back.

Ms. KIGGANS. Thank you, Ms. Radewagen.

Ranking Member Mrvan, do you have any closing remarks?

Mr. MRVAN. I do. Thank you, Chair Kiggans.

I appreciate the testimony and the answers from our witnesses today. I would like to re-emphasize my support for all that the administration and VA are doing to ensure that we make Buy America a priority.

I think Mr. Parrish and the rest of our witnesses have a huge task ahead, but I appreciate their commitment to continue to make this a priority, and I look forward to continuing this oversight.

I yield back.

Ms. KIGGANS. Thank you, Mr. Mrvan.

I just want to thank our witnesses for taking time to educate us today and for prioritizing domestic manufacturing of our pharmaceuticals, medical devices, and PPE. It is really an issue of national security, so thank you for continuing to just prioritize that and work on that issue.

I ask for unanimous consent that all members shall have 5 legislative days in which to revise and extend their remarks and include any extraneous material.

Hearing, no objection, so ordered.

The committee stands adjourned.

Thank you.

[Whereupon, at 4:07 p.m., the subcommittee was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF WITNESS

Prepared Statement of Michael Parrish

Good afternoon, Chairwoman Kiggans, Ranking Member Mrvan, and Members of the Subcommittee. I am pleased to appear before you today to discuss VA Procurement and the Department's compliance with domestic preference (for example, Made in America) statutes, other laws, Executive Orders, regulations and policies that govern the purchase of goods and services by Federal entities. Joining me today are my colleagues, Dr. Angela Billups, Executive Director, Office of Acquisition and Logistics, OALC, and Senior Procurement Executive; Mr. Andrew Centineo, Executive Director for Procurement and Logistics from the Veterans Health Administration (VHA); and Dr. Thomas Emmendorfer, Executive Director, Pharmacy Benefits Management Services, VHA.

The Coronavirus Disease 2019 (COVID–19) pandemic heightened awareness of our dependence on markets outside the U.S. for the raw materials and the manufacture of certain products. This dependence is not just a VA problem, but a national problem that has been decades in the making. During those decades, U.S. industry has outsourced manufacturing and supply chain capabilities to overseas entities. Essential health-care items, such as, personal protective equipment (PPE) and pharmaceuticals, are two examples where U.S. dependency on foreign markets over the years has increased. With this vulnerability in mind, Congress, the Administration and industry have placed renewed emphasis on the manufacture and purchase of products made in the U.S. However, achieving the goals espoused in these statutes, policies and executive orders takes time. VA is committed to full implementation of our statutory requirements and we are working in collaboration with other Federal entities and industry to identify U.S.-made products and support the rebuilding of U.S. manufacturing capacity.

As CAO for the Department, I am a strong proponent of purchasing products that are made in the U.S. The VA's primary mission is providing high quality health care, benefits, goods and services to Veterans. We saw first hand the fragility of some of the supply chains upon which we depended during the pandemic and are committed to ensuring we are not in this position in the future. The Buy American Act (BAA) and the Build America, Buy America Act (enacted as part of the Infrastructure, Investments and Jobs Act (IIJA)), each include specific language espousing a preference for the procurement of domestic products. VA operates the largest integrated health care system in the U.S. The population of Veterans receiving care in VA health care facilities is expected to grow, the present VA population served is just over 9 million enrolled Veterans, out of the U.S. population of 337 million people.

Availability of 100 percent domestically produced PPE requires a clear and organized federal demand signal to support the existing and future industry investments, innovation as well as a long-term commitment. VA is committed to working with other Federal agencies to communicate to industry the importance of domestically produced PPE.

VA Compliance with the Buy American Act

VA complies with the BAA by following the standardized guidance in the FAR, VA Acquisition Regulation (VAAR) and the VA Acquisition Manual (VAAM), where appropriate. VA has also published IIJA requirements and standardized guidance in the VAAM, building on the BAA guidance in the FAR, identifying the difference between the BAA and IIJA requirements, along with establishing and publishing other standardized guidance specific to IIJA in the VAAM, which was effective in February 2023. Contracting officers and heads of contracting activities responsible for making these assessments have ready access to information and tools needed to effect BAA compliance and other requirements. When needed, there are established procedures for requesting a waiver or applying an exemption that I review personally.

VA Pilot to Preference Domestically Manufactured Drug Products

One area where VA has had to request waivers of Made in America requirements concerns the purchase of pharmaceuticals. Many drugs require ingredients that come from, or are manufactured in, markets outside the U.S. With Veterans' health care needs as our priority, it is not always possible to obtain the required medication from a domestic source. However, VA is continuously engaged in efforts to increase opportunities to purchase domestically manufactured products.

As an example, VA Pharmacy Benefits Management (PBM) Services and OALC will pilot a program to preference domestically manufactured drug products. VA PBM Services will start by selecting two drug products and OALC will develop the acquisition strategy which will include a preference for domestically sourced and manufactured products. If the pilot is successful, VA will evaluate potential expansion to additional products. To enable this work, VA PBM Services will choose two drugs from the Drug and Biologic Essential Medicines, Medical Countermeasures and Critical Inputs for the List Described in section 3(c) of Executive Order 13944; Executive Order on Ensuring Essential Medicines, Medical Countermeasures, and Critical Inputs Are Made in the United States; to develop a concept of need and requirements. PBM Services will then submit the concept of need and requirements to OALC to develop the acquisition strategy. VA anticipates initiating the pilot by the end of the first quarter of fiscal year 2024 with a final decision leading to an award for the effort within 12 months after.

Working with Industry

VA's ability to achieve BAA goals involves regular and open communication with industry. As part of VA's outreach to and partnership with industry, VA staff have conducted numerous industry days in support of VA's Medical Surgical Prime Vendor (MSPV) program. Additionally, VHA procurement and logistics staff regularly engage manufacturers and suppliers to better understand how entities interpret VA requirements and new developments and innovations in the marketplace. These bidirectional conversations are invaluable and provide industry insights on the availability of products, market trends, best practices and innovations.

In April 2023, VA participated in Make Personal Protective Equipment (PPE) in America Industry Day hosted at the U.S. Department of Health and Human Services (HHS). Federal agencies expressed their commitment to work toward full implementation of the Make PPE in America Act, with the end-state of buying 100 percent "made in America" PPE. In many circumstances, we've found certain inputs of PPE are not yet manufactured in the US. raw materials manufactured overseas.

Additionally, VA is committed to collaborating with other agencies and the Office of Management and Budget to fully implement the Make PPE in America Act. For example, VA efforts to implement the Make PPE in America Act include, but are not limited to:

(1) developing an executable acquisition strategy for each PPE item identified in the PPE Act that has been prioritized for action,

(2) developing common requirements and an acquisition strategy for all items on the consensus PPE list by the end of calendar year 2023, and

(3) reporting noteworthy accomplishments toward the development of a long-term PPE strategy under the President's Management Agenda. This reporting amplifies the Administration's commitment to organize federal demand and strengthening the domestic supply chain for PPE through increased program, project, and buying office participation.

Following Industry Day, VA issued a request for information to the Blanket Purchase Agreement (BPA) holders participating in VA's MSPV program to gauge how many are fully compliant with Made in America Act requirements. To date, through vendor self-certification, VA has identified 129 items on its MSPV product list that are 100 percent Made in America compliant. Through this process we also identified items that are not; for example, none of the BPA holders participating in VA's MSPV program offer nitrile gloves, a critical PPE item that currently meet the requirements of the Make PPE in America Act.

VA remains committed to explore and support with industry partners all opportunities to realize Make PPE in America. The journey requires support beyond the Federal health care space of VA (and DoD) to achieve the goal, maintain supply chain resiliency and reduce dependency on overseas markets for PPE requirements ranging from raw materials to finished products. Our efforts, however, extend beyond PPE as we work in support of increasing the purchase and manufacture of products Made in America.

Conclusion

Chairwoman Kiggans, Ranking Member Mrvan, and Members of the Subcommittee, thank you for the opportunity to speak about VA procurement and the opportunities to increase manufacturing and production within the United States and to reduce our dependency on overseas markets for certain raw materials and finished products. My colleagues and I are pleased to answer any questions that you may have.

STATEMENT FOR THE RECORD

Prepared Statement of Matthew Rosendale

Thank you, Chairwoman Kiggans, for holding this important hearing.

The Biden Administration's policies have decimated the American middle class. Americans are now paying higher prices at the grocery store and gas pump due to inflation caused by Democrats' reckless spending policies. Last week, the United Auto Workers announced a strike over disagreements with management over pay and benefits for workers.[1] The 1,000-pound donkey in the room is that the Biden Administration's push for electric vehicles has harmed the industry and led to the disastrous situation we now find ourselves in.

Since the 1930's, preferences for domestically produced goods and services have existed in federal procurement. Specifically, the Buy American Act is the primary federal procurement law providing a preference for domestically produced goods and services.[2] It makes sense to support American small businesses as opposed to large foreign multinational companies when federal agencies are making procurement decisions. For too long, leaders in both parties have sold out American workers for cheap, Chinese labor.

Under President Trump's visionary leadership, American manufacturing was prioritized again. He issued an executive order "Maximizing Use of American-Made Goods, Products, and Materials." Realizing how popular President Trump's actions were with the American people, President Biden has paid lip service to building on his legacy. Unfortunately, this lip service has resulted in very little concrete action by the Biden Administration.

In Montana, we have seen firsthand the disappointing effects of Biden and federal agencies not enforcing the law, which has harmed domestic industries. I have had the pleasure of visiting the Center of the Nation of Wool in Billings. From the Revolutionary War to the present day, wool has been an important component of U.S. military uniforms.[3] The Berry Amendment requires that all U.S. military uniforms be made from 100 percent domestic products, protecting domestic wool from offshore competition.

According to the CRS, the items covered by the Berry Amendment have varied over the years; currently, the law applies to DOD purchases of textiles, clothing, footwear, food, hand or measuring tools, stainless steel flatware, and dinnerware. DOD purchases of these items must be entirely grown, reprocessed, reused, or produced in the United States. However, over the last few years, DOD has bought wool from overseas in violation of the Berry Amendment. This has harmed Montana wool growers and is unacceptable. I remain focused on helping Montana wool growers and will continue to press the Department of Defense to ensure that our servicemembers have their uniforms made from American wool.

Congress must provide proper oversight of the executive branch, particularly the Biden Administration, which has been selling American workers down the road. Thank you, Chairwoman Kiggans for your leadership. I yield back.

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[1] https://www.reuters.com/business/autos-transportation/uaw-detroit-three-automakers-try-reach-deal-before-strike-widens–2023–09–18/#:~:1:text=The%20union%20and%20companies%20are,UAW%20is%20demanding%20through%202027.

[2] https://crsreports.Congress.gov/product/pdf/R/R46748

[3] https://www.sheepusa.org/blog/newsmedia-sheepindustrynews-pastissues–2017-january2017-woolinthemilitary