

November 18, 2022

The Honorable Lloyd J. Austin III
Secretary
U.S. Department of Defense
1010 Defense Pentagon
Washington, DC 20301

The Honorable Gina M. Raimondo
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Secretaries Austin and Raimondo:

We respectfully seek your agencies' continued leadership and assistance in considering expanded Defense Production Act Title I authority to ensure needed supplies of microelectronics to sustain production lines by the U.S. computer numerically controlled (CNC) manufacturing base.

Essential to U.S. national security, the U.S. CNC manufacturing base faces acute production shutdowns starting in the second quarter of CY2023 due to insufficient chip supplies through its U.S. distribution channels. We appreciate the DPA Title I authority approved by your Departments in May granting a Defense Priorities and Allocation System (DPAS) DO-C9 rating for the U.S. CNC manufacturing base on chip orders tied to national security. While this designation is helpful, only 30 percent of CNC manufacturing's chip orders are tied directly to national defense, which is not enough to sustain production lines or maintain sufficient military readiness.

Since CNC machines are used across the Defense Industrial Base and every major sector of the U.S. economy, we respectfully seek your assistance to consider allowing a broader DPAS rating under Defense Production Act Title I authority to ensure stable, steady chip allocations to the U.S. CNC manufacturing sector. The U.S. requires a robust CNC manufacturing base to maintain military readiness and the U.S. economy, which is increasingly faced with Chinese and other foreign competitors that threaten U.S. national security. With increased domestic chip production capacity from the CHIPS Act not being felt for another 2-3 years, the U.S. CNC manufacturing base needs immediate, short-term relief to sustain production until U.S. chip manufacturing ramps up production.

Therefore, we appreciate your departments' prompt consideration and assistance with other relevant federal agencies to consider granting an additional expanded DPA Title I DPAS rating to prioritize all U.S. (defense and non-defense) microelectronics orders by the U.S. CNC manufacturing. Every American-made CNC machine produces approximately 100,000 precision machined parts over its service life, contributing heavily to U.S. military readiness, national security, and the U.S. economy.

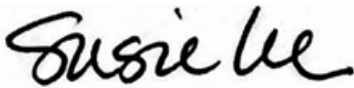
We appreciate your leadership and engagement on this critical issue. Please feel free to have your staff contact our offices with any questions or how we can support your efforts in this area.



Catherine Cortez Masto
United States Senator



Dianne Feinstein
United States Senator



Susie Lee
Member of Congress



C.A. Dutch Ruppertsberger
Member of Congress



Dina Titus
Member of Congress



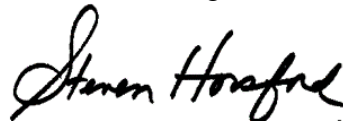
Jacky Rosen
United States Senator



Alex Padilla
United States Senator



Julia Brownley
Member of Congress



Steven Horsford
Member of Congress

Cc:
The Honorable Kathleen Hicks
Deputy Secretary of Defense
United States Department of Defense
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