

# United States Senate

WASHINGTON, DC 20510

September 26, 2012

The Honorable Leon Panetta  
Secretary of Defense  
Department of Defense  
Office of the Secretary  
The Pentagon  
Washington, DC 20301

Dear Secretary Panetta,

We are writing in response to the Department of Defense's request for comment on its proposed revision to the definition of "produce" as it relates to steel armor plate. We applaud the proposed definition, which would reinstate the longstanding requirement that armor steel plate be melted in the United States. We, along with our colleagues in the House of Representatives, have worked hard to convey the importance of the Specialty Metals Amendment and the decades of precedent requiring that steel armor plate be melted domestically. The proposed definition will do much to ensure the strength of our domestic armor plate industry and, importantly, our defense industrial base.

As you are aware, over the past several years and on numerous occasions, Congress has expressed concerns to the Department regarding the definition of "produce" initially put forth in 2008 and finalized in July 2009. That definition would have allowed armor steel plate melted in foreign countries to comply with the Specialty Metals Amendment simply by the performance of low-value secondary finishing processes (e.g., quenching and tempering) in the United States. We expressed serious concerns with this definition which, by discounting the importance of the melt stage – the most capital- and labor-intensive stage of the production process – would have encouraged foreign production of this vitally important product, to the detriment of the defense industrial base and this nation's national security. As a result of our concerns, the Department conducted a review of the definition of "produce" and, on July 24, 2012, rightly proposed a revised definition reflecting the true intent of the Specialty Metals Amendment. Specifically, by removing "quenching or tempering of steel plate" from the definition of "produce," the proposed definition returns to the longstanding requirement that steel armor plate be melted domestically.

We are pleased to submit this letter for the record in support of the proposed revisions to the definition of "produce," and would also like to thank the Department for its thorough review.

The revised definition will help ensure that steel armor plate is produced right here in the United States, to the benefit of the domestic armor plate industry, its workers, and this nation's national security. We look forward to seeing the proposed definition finalized in an expeditious manner.

Sincerely,



Sherrod Brown  
United States Senator



Robert P. Casey, Jr.  
United States Senator



Charles E. Schumer  
United States Senator



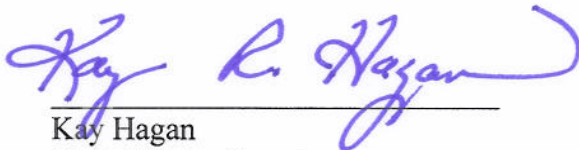
Kirsten Gillibrand  
United States Senator



Al Franken  
United States Senator



Amy Klobuchar  
United States Senator



Kay Hagan  
United States Senator