

Senate prepares to battle 'Buy American' Defense provisions

By Amy Klamper, [CongressDailyPM](#)

Mindful of last year's protracted House-Senate conference on "Buy American" provisions pushed by House Armed Services Chairman Duncan Hunter, R-Calif., the Senate Armed Services Committee is lining up administration support for its fiscal 2005 defense authorization bill that aims to enhance defense trade with allies.

Senate staff members met with top Bush administration officials last week on a strategy to thwart an amendment filed by Sen. Mark Dayton, D-Minn., that would repeal Senate language to allow the Pentagon to waive most industrial base protections for allies who maintain reciprocal procurement agreements with the United States.

Administration support for the Senate bill would strengthen that chamber's position in a fight over House language on industrial base protections and arms export restrictions. Industry and congressional sources said Senate staff met with top officials from the Defense and State departments, the White House and the Office of the U.S. Trade Representative. All were asked to write letters and talking points in support of the Senate bill. The committee received letters last month from Great Britain, Denmark and the Netherlands in support of the Senate provisions.

While the Senate bill seeks to enhance trade relations with allies, the House version, passed overwhelmingly in May, would limit the Pentagon's ability to do business with foreign defense contractors, and includes several provisions that critics say could undermine the administration's effort to overhaul arms export laws and regulations. Hunter worked closely with House International Relations Chairman Henry Hyde, R-Ill., to draft the export control language.

A White House Statement of Administration Policy contended the House bill violates U.S. trade agreements and could undercut the administration's ability to govern arms export control programs in a way that protects national security interests while allowing U.S. companies to compete in the global market. But Hunter and Hyde have countered such arguments by saying the House provisions ensure U.S. weapons systems and technologies do not fall into dangerous hands at a time when the nation is fighting a global war against terrorism. Both House chairmen continue to butt heads with senior White House and State Department officials over some export control issues, and they are concerned about the planned release of a presidential policy directive that could liberalize arms export laws. Hyde's committee plans to hold a hearing this month on the presidential directive.

The pending House-Senate conference debate is reminiscent of last year's struggle over Hunter's "Buy American" language in the House version of the fiscal 2004 measure. When that bill stalled in conference, Senate Armed Services Chairman Warner and Sen. John McCain, R-Ariz., joined administration officials and U.S. allies to force House concessions. Although Hunter's lone "Buy American" provision in the fiscal 2005 bill represents only a fraction of his legislative effort last year to stem the use of foreign technologies in building U.S. weapon systems, the inclusion of arms export control prohibitions with Hyde's support adds a new twist to the debate, and portends

a long wait for enactment of a final fiscal 2005 authorizing bill.

Meanwhile, Senate Appropriations Chairman Stevens said he would support adding funds for Iraq and Afghanistan to the fiscal 2005 Defense spending bill, adhering closely to levels authorized under Warner's measure. Backing away from earlier comments, Stevens said his panel was unlikely to include more than \$25 billion in additional funds for Iraq and Afghanistan operations as requested by the Bush administration, at least at the outset. Stevens indicated that total could rise when the House and Senate thrash out the final bill in conference. Stevens has said he supports providing up to \$50 billion in additional fiscal 2005 funds for Iraq and Afghanistan on the Defense spending bill, which he said he hoped would be completed before the end of the fiscal year Sept. 30.