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Computer & Communications Industry Association

February 2, 2009

Via Facsimile

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable John Boehner
Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Senator Reid, Representative Boehner, and Senator McConnell:

As our nation faces our worst economic crisis in generations, the Computer & Communications Industry Association (CCIA) appreciates the Congress' efforts at crafting economic stimulus legislation that will start us on the road to recovery. We especially applaud the grants for deployment of broadband infrastructure as fundamental to economic development.

However, we have grave concerns that the "Buy American" provisions being currently considered will lead to an escalation of protectionism that will prove harmful to U.S. economic interests.

The high-tech sector is the leading export industry of the U.S. and CCIA has long supported free trade as advantaging all nations and expanding markets for U.S. high-tech companies. Buy American provisions in the stimulus bill passed by the House would mandate that all iron and steel goods used in stimulus-funded projects be produced in the U.S. The Senate version under consideration would extend the mandate to manufactured goods. By unilaterally restricting access to these projects to U.S. products, the U.S. could touch off a wave of protectionism in which other countries would retaliate with their own measures regarding their own stimulus projects. We should not be engaging in actions that hurt U.S. exports, which have been a positive force even in these difficult circumstances.

For decades, the U.S. has been the standard-bearer in the promotion of free trade and greater access to global markets. The U.S. played a leading role in the G20 summit in November where world leaders pledged not to engage in protectionism in the wake of the economic crisis. Yet including Buy American provisions in the stimulus legislation would be precisely the kind of beggar-thy-neighbor, every-country-for-itself action that worsened the Great Depression, and

which was to be avoided this time around. In a globally connected economy, and a global economic crisis, recovery must also be a global recovery.

The expansion of Buy American provisions may extend to information technology. An amendment to the House stimulus bill was considered that would have limited the use of stimulus funds to health IT technology that is “manufactured, including the engineering and programming of any software, in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States.” Health IT is expected to play a major role in increasing the cost-efficiency of health care. In order to maximize efficiency, the best technology available must be used, rather than the choice being limited by government mandate. It does not make sense to sacrifice the very productivity and stimulus effect that is expected of IT through unnecessary Buy American provisions.

Through such agreements as the WTO Agreement on Government Procurement (GPA), U.S. companies have won nondiscriminatory access to overseas procurement projects in exchange for nondiscriminatory treatment of GPA signatory nation companies. Ending this reciprocity through inclusion of Buy American provisions in stimulus legislation would chill the international coordination that is needed for the very recovery we all hope to see. CCIA strongly urges you not to include Buy American provisions in stimulus legislation. In combating this crisis, the U.S. must lead with openness and expansion rather than barriers and retreat.

Sincerely,

A handwritten signature in black ink, appearing to read "E. J. Black". The signature is fluid and cursive, with a long horizontal stroke at the end.

Edward J. Black
President & CEO
Computer & Communications Industry Association