

THE
NATIONAL LAW REVIEW

“Buy American” Executive Order Could Impact U.S. Foreign Military Sales

Monday, May 15, 2017

Legislative Activity

This Week’s Hearings:

- On Wednesday, May 17, the Senate Armed Services Subcommittee on Strategic Forces has scheduled a hearing titled “Military Space Organization, Policy, and Programs.”
- On Wednesday, May 17, the Senate Armed Services Subcommittee on Airland has scheduled a hearing titled “United States Military Small Arms Requirements.”
- On Thursday, May 18, the House Appropriations Subcommittee on Homeland Security has scheduled a hearing titled “Requirements, Priorities, and Future Acquisition Plans.”
- On Thursday, May 18, the Senate Armed Services Committee has scheduled a hearing to consider the following nominations:
 - Kari A. Bingen to be Principal Deputy Under Secretary for Intelligence, Department of Defense;
 - Robert S. Karem to be Assistant Secretary for International Security Affairs, Department of Defense;
 - Kenneth P. Rapuano to be Assistant Secretary for Homeland Defense And Global Security, Department of Defense; and
 - Ryan D. Newman to be General Counsel, Department of the Army.



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Executive Branch Activity

“Buy American” Executive Order Could Impact U.S. Foreign Military Sales

Analysts believe that U.S. defense companies could potentially lose foreign sales opportunities, if other countries choose to limit buying U.S.-made products in response to President Donald Trump’s April 18 “**Buy American and Hire American**” Executive Order (EO).

The EO requires federal agencies to review how frequently they issue waivers to existing Buy American laws and to maximize enforcement of the current laws that require the government to buy U.S.-made goods whenever possible.

If the EO reduces opportunities for foreign companies to do business with the U.S., analysts suggest that there could be some blowback from other countries. Andrew Hunter, a senior fellow at the Center for Strategic and International Studies, believes that the EO could lead other nations to adopt policies that require buying from their own domestic firms. “A lot already have those ... [but] it will encourage them to be even more aggressive,” Hunter said. “That is a concern for the defense industry. It definitely complicates the business case they put together for foreign military sales.” According to the Defense Security Cooperation Agency, foreign military sales in Fiscal Year (FY) 2016 totaled \$33.6 billion.

Dan Stohr, a spokesman for the Aerospace Industries Association, is unsure if the organization has communicated with the Trump Administration about the impact of “Buy American” directives on the defense industrial base, but noted that it “will be brought up.”

The association, which represents the U.S. aerospace and defense industry, is urging the Administration to focus on closer coordination across the federal government to facilitate military and commercial sales to foreign militaries. Stohr noted, however, that the high-quality of U.S.-made products is reason to be optimistic that foreign countries will continue to purchase military equipment from U.S. companies.

Key Civilian Posts Filled at the Pentagon

On May 10, the Pentagon announced that three key civilian positions at the Department of Defense have been filled.

Elbridge Colby, a fellow at the Center for New American Security, was chosen to be Deputy Assistant Secretary for Strategy and Force Development, while Thomas Goffus, a professional staffer with the Senate Armed Services Committee, was tapped to be the Deputy Assistant Secretary for Europe and NATO.

Pete Giambastiani, chief of staff to Rep. Tom Rooney (R-Florida), was named Principal Deputy Assistant Secretary of Defense for Legislative Affairs.

All three positions do not require Senate confirmation.

Pooja Virkar is co-author of this article.

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