

The Honorable Dan Boren of Oklahoma

Testimony: FY13 National Defense Authorization Act

House Committee on Armed Services

April 17, 2012

Chairman McKeon, Ranking Member Smith, members of the Committee:

Thank you for the opportunity to speak before the Committee to discuss an issue that is critical to the space industrial base.

I was recently made aware of efforts by the Defense National Stockpile to sole-source contracts for a critical space technology, germanium wafers used in the production of solar cells for our defense satellites. I believe the Department of Defense should support competition wherever we can find it to preserve valuable taxpayer resources and to develop American industry.

Currently, the defense stockpile is limiting the production of germanium wafers used in solar cells on defense satellites to one company. I am concerned because both the qualified supplier of these materials for the last decade and the U.S. subsidiary of that company are prohibited from competing to supply these materials. The former because their facility is located outside the United States and the latter because the Air Force Research Lab has not yet supported qualification.

I support the efforts of the stockpile to provide the materials needed for our national defense and understand its desire to utilize a U.S. supplier. However, I cannot understand actions that prohibit another U.S. company from competing.

Moreover, I am concerned that its decisions related to germanium wafers takes an approach that stifles competition instead of taking advantage of competitive sources of supply that would grow the space industrial base.

Mr. Chairman, I seek your assistance in requiring the stockpile to comply with its obligations to support all U.S. industry equally. I intend to submit a letter requesting a provision in the defense authorization bill for fiscal year 2013 that requires the stockpile to maximize competition for germanium wafers and the larger space industrial base.

The Administrator of the stockpile has stated that he is committed to competition and developing multiple sources of supply of this critical material. The provision I am requesting will prevent sole-sourcing of this material unless the Administrator certifies in writing to the House and Senate Armed Services committees that it is in the national interest to do so.

Mr. Chairman, I appreciate your consideration of this important issue.

Thank you.