

TESTIMONY OF DELLA WILLIAMS, PRESIDENT AND CEO, WILLIAMS PYRO

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

JULY 18, 2012

Chairman McKeon, Ranking Member Smith and members of the Committee, thank you for the opportunity to testify at the July 18, 2012, House Armed Services Committee hearing, "Sequestration Implementation Options and the Effects on National Defense: Industry Perspectives."

My name is Della Williams, and I am President and CEO of Williams-Pyro in Fort Worth, Texas. **Williams-Pyro is a woman-owned, small business that designs and manufactures innovative products, including custom cables, connectors, adapters, automated test equipment, and intelligent power management systems. We currently have 89 employees who continue to amaze me every day; and I've been here since Day 1.**

As a manufacturer and part of the defense supply chain, I very much appreciate your focus on the defense industry and the impact of the impending cuts in defense spending set to begin on January 1, 2013. While I wish I were here under better circumstances, the impending threat of these wholesale budget cuts is of deep concern to me. My goal today is to put a face and a name to what is rather cavalierly discussed in the press as "sequestration."

Most people would associate defense cuts with the big Tier I defense contractors, which are represented by several of my colleague here today. Supporting every one of these large integrators on dozens of programs, are thousands of Tier II and Tier III suppliers – most small and medium-sized businesses– who design and manufacture what seems like small parts.

All of those parts combined make up systems that seek out and destroy multiple targets, aircraft that soar to their targets or evacuate civilians in a disaster, and ships that knife through the water to intercede in a conflict or deliver humanitarian aid. Moreover, the defense supply chain companies collectively employ millions of hard-working people who each support spouses and children and communities.

So these cuts will not just impact a few large companies. These cuts will flow down the supply chain and through the broader economy. They will impact companies, like mine and threaten the jobs of thousands of skilled workers. In fact, a [report](#) released last

month by the National Association of Manufacturers concludes that by 2014, the cuts in defense spending enacted last year combined with the cuts set for January 1, 2013, will result in the loss of more than one million jobs, increasing the unemployment rate by almost one percent.

If small business—and I would submit even further, manufacturing— is an engine for economic growth, why are we making decisions that will inevitably stall that engine?

My company was founded in April 1963—in fact, we celebrate 50 years in business next year. That is a huge milestone for a small, woman-owned company. During that time, our company has proven to be a very innovative organization building our business on designing and manufacturing forward-thinking weapons systems test equipment for the Air Force, Navy, Army and the Marine Corps. Our products have improved the safety of flight line maintainers, reduced aircraft downtime, and boosted the buying power of the defense procurement dollar.

The budgetary issues the federal government is facing are the same ones that I, as a small manufacturer and a taxpayer, deal with every day in my own business. I am proud to say that Williams Pyro has won many awards over the years including the much-coveted Tibbetts Award for Innovation, Small Business of the Year award from Lockheed Martin Global Training & Logistics in 2008 and 2011, Boeing Preferred Supplier, and numerous awards for our 100 percent quality and on-time delivery from the Defense Logistics Agency. Williams Pyro has won these awards by meeting the challenges presented to us.

Analysts say the defense industry is faced with several choices, either exit the market, double down on defense by buying competitors or “weather the storm.” At Williams Pyro however, we have chosen to invest in product development. I’d like to share a recent example of our innovation.

A few years ago, my Chief Engineer and I were observing one of our testers at a First Article Test at Nellis AFB and a piece of Government Furnished Equipment was brought out to perform the testing, a unit referred to as the Beer Can. Another manufacturer had developed this device in 1969. Technology of the 1960’s was very different from today and included rabbit ears, transistors, diodes, etc. Apropos of the 1960’s, the “Beer Can” used a very expensive, and heavy, lithium battery.

While we were there, the technician had to replace the Beer Can three times to find one that worked. Apparently they had numerous problems using and calibrating the device over the years. Since the device was round, and frequently rolled off the wing crashing onto the ground. The batteries also required replacement often and were difficult to find.

After observing what happened, I asked our Chief Engineer to follow up on this when we returned to our facility. I later spoke to the F-16 program manager at the Hill Air Force

base about our experience and my concern as a taxpayer that the government was spending a lot of money on an expensive and outdated device. I was surprised to find out from him that the government actually bought 30 percent more of these devices than required because of the problems they encounter with these devices. I secured his commitment that he would look at a replacement device if we could develop one.

When I returned to our facility, we met with our very capable staff of engineers and they developed a digital voltage detector that operates on two off-the-shelf AA batteries. This design offers many superior features and is less costly than what they were using. We developed this "Juice Box," as it is called by the military, with our own R&D money.

Moreover, even amid the talk of the defense cuts, this past year, we have invested over \$1 million dollars of our own money to develop a compact, rugged stores management tester that can be used across multiple aircraft platforms, saving additional procurement dollars. This development is still on-going and more money will be required to put it into service. As you can see, these are major investments for a small business, but we are committed to developing products that will meet the military's operational and procurement requirements.

I believe that this dedication to providing innovative products for the defense industry helps to illustrate the potential impact sequestration will have on my business and many others. The same people who have put their hearts, souls and backs into developing the next generation of test equipment I described before, are left wondering if there will be a next generation.

Imagine the talent erosion that is already occurring at thousands of other small and medium sized-businesses in the defense industry, as talented workers leap off what they perceive is a sinking ship. Sequestration, as is being discussed, will create a mass exodus of talent and skill to other industries.

Williams Pyro presently has 89 employees, including machinists, assemblers and R & D engineers experienced in mechanical, electrical, software, firmware, hardware and manufacturing. These jobs are in jeopardy. What is being billed as a stop-gap budget fix will have lasting effects on our defense capabilities for years to come. The switch will not just get flipped back on to reverse that trend.

Moreover, the deep personnel and program cuts will threaten our national security. Indeed, the United States could lose our technological and strategic advantage and never get it back.

In conclusion, I urge members of Congress to go back and sharpen your pencils. Sequestration is cosmetic surgery with a chainsaw. Working together, we can solve this, but we need to do it smartly and strategically, while keeping the economy moving and defending this great land.

Thank you again for inviting me to appear before to talk about this very important issue.