

The Defense Procurement Fairness Act

Senator Tammy Baldwin (D-WI)

The objective of the *Defense Procurement Fairness Act* is to improve and codify the process the Department of Defense uses to negotiate and monitor Reciprocal Defense Procurement Agreements.

Background:

Reciprocal Defense Procurement (RDP) Agreements are bilateral defense trade agreements that waive the requirements of the *Buy America Act* in exchange for similar provisions to open opportunities for defense products manufactured in the United States to be purchased by partner countries. The Secretary of Defense is responsible for negotiating and finalizing these agreements. The DOD currently has 28 RDP partner countries, including most NATO allies but also Australia, Japan, and Egypt.

RDP Agreements are important tools to support our defense, American defense manufacturers, and our allies and partners around the world, but a recent report found that there are shortcomings in the process the Administration has used to enter into and renew Agreements.¹ Current procedures lack formal rules, undergo little economic analysis, and receive almost zero input from American companies or American workers who may be affected by these deals. Many of these agreements renew automatically and undergo little to no economic analysis each time they are renewed.

The Solution:

The *Defense Procurement Fairness Act* will codify the procedures and analysis required for RDP Agreements. It will add a requirement for independent, detailed economic analysis, proactive public engagement, and detailed reporting requirements. It also prevents the automatic renewal of agreements and requires the Secretary of Defense to notify Congress and the public 90 days before entering a new agreement.

The *Defense Procurement Fairness Act* also adds requirements for the United States Trade Representative and U.S. International Trade Commission to give inputs into the RDP Agreement process, providing expert analysis and a better all-of-government approach to this process.

This legislation will position American workers, businesses, and the Department of Defense to better understand and execute our bilateral defense relationships.

Support:

Currently soliciting

¹ <https://www.gao.gov/products/gao-25-106936>.