

June 23, 2022

To the Members of the United States Congress:

The undersigned associations firmly oppose the latest draft of the National Critical Capabilities Defense Act (NCCDA) under consideration for inclusion in the Bipartisan Innovation Act. Though we appreciate the efforts to refine the proposal, it remains extremely broad in scope and would create unworkable compliance concerns for businesses of all sizes. Our organizations urge Congress to address the measure's underlying concerns through regular order, which to date has not been pursued.

U.S. national security objectives are best served when policies supporting them are clear, targeted, and predictable. Such an approach allows American workers and businesses to continue to receive the benefits of legitimate global commerce, which include the creation of good jobs, innovation, and robust economic growth.

While the definition of scope in the revised NCCDA has been altered, it remains the case that nearly every sector of the U.S. manufacturing and agricultural economy — and the services sectors that critically enable them — appears to be covered. The resulting compliance burden for U.S. business and the U.S. government would be very high, and it would require the creation of a massive new bureaucracy to administer its new strictures. It would also complicate efforts to collaborate with our allies on matters related to emerging and critical technologies and disproportionately burden U.S. small and medium-sized companies, chilling their ability to innovate, scale up, and access global markets.

Further, while the measure aims to respond to the rise of an industrial and geopolitical competitor, its attempts to do so risk suppressing U.S. innovation and technological progress, which would place U.S. companies and their workers at a significant competitive disadvantage against their international competitors from Asia, Europe, and elsewhere. At a time of rising economic uncertainty, inflation, and supply and demand shocks around the world, we urge Members of Congress to consider the implications of standing up a broad, new regime that could exacerbate those challenges unless tailored to specific national security objectives that current authorities do not address.

We urge Congress to consider these issues not under the compressed timetable of the Bipartisan Innovation Act conference committee, but under regular order, overseen by the key committees of jurisdiction, i.e., the Senate Banking and House Financial Services Committees.

Sincerely,

Advanced Medical Technology Association
(AdvaMed)
BSA | The Software Alliance
Coalition of Services Industries
Consumer Technology Association
Global Business Alliance

Information Technology Industry Council
National Foreign Trade Council
TechNet
U.S. Council for International Business
U.S. Chamber of Commerce