



EXECUTIVE ORDER

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ASSESSING AND STRENGTHENING THE MANUFACTURING AND DEFENSE INDUSTRIAL BASE AND SUPPLY CHAIN RESILIENCY OF THE UNITED STATES

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

Section 1. Policy. A healthy manufacturing and defense industrial base and resilient supply chains are essential to the economic strength and national security of the United States. The ability of the United States to maintain readiness, and to surge in response to an emergency, directly relates to the capacity, capabilities, and resiliency of our manufacturing and defense industrial base and supply chains. Modern supply chains, however, are often long and the ability of the United States to manufacture or obtain goods critical to national security could be hampered by an inability to obtain various essential components, which themselves may not be directly related to national security. Thus, the United States must maintain a manufacturing and defense industrial base and supply chains capable of manufacturing or supplying those items.

The loss of more than 60,000 American factories, key companies, and almost 5 million manufacturing jobs since 2000 threatens to undermine the capacity and capabilities of United States manufacturers to meet national defense requirements and raises concerns about the health of the manufacturing and defense industrial base. The loss of additional companies, factories, or elements of supply chains could impair domestic capacity to create, maintain, protect, expand, or restore capabilities essential for national security.

As the manufacturing capacity and defense industrial base of the United States have been weakened by the loss of factories and manufacturing jobs, so too have workforce skills important to national defense. This creates a need for strategic and swift action in creating education and workforce development programs and policies that support job growth in manufacturing and the defense industrial base.

Strategic support for a vibrant domestic manufacturing sector, a vibrant defense industrial base, and resilient supply chains is therefore a significant national priority. A comprehensive evaluation of the defense industrial base and supply chains, with input from multiple executive departments and agencies (agencies), will provide a necessary assessment of our current strengths and weaknesses.

Sec. 2. Assessment of the Manufacturing Capacity, Defense Industrial Base, and Supply Chain Resiliency of the United States. Within 270 days of the date of this order, the Secretary of Defense, in coordination with the Secretaries of Commerce, Labor, Energy, and Homeland Security, and in consultation with the Secretaries of the Interior and Health and Human Services, the Director of the Office of Management and Budget, the Director of National Intelligence, the Assistant to the President for National Security Affairs, the Assistant to the President for Economic Policy, the Director of the Office of Trade and Manufacturing Policy, and the heads of such other agencies as the Secretary of Defense deems appropriate, shall provide to the President an unclassified report, with a classified annex as needed, that builds on current assessment and evaluation activities, and:

(a) identifies the military and civilian materiel, raw materials, and other goods that are essential to national security;

(b) identifies the manufacturing capabilities essential to producing the goods identified pursuant to subsection (a) of this section, including emerging capabilities;

(c) identifies the defense, intelligence, homeland, economic, natural, geopolitical, or other contingencies that may disrupt, strain, compromise, or eliminate the supply chains of goods identified pursuant to subsection (a) of this section (including as a result of the elimination of, or failure to develop domestically, the capabilities identified pursuant to subsection (b) of this section) and that are sufficiently likely to arise so as to require reasonable preparation for their occurrence;

(d) assesses the resiliency and capacity of the manufacturing and defense industrial base and supply chains of the United States to support national security needs upon the occurrence of the contingencies identified pursuant to subsection (c) of this section, including an assessment of:

(i) the manufacturing capacity of the United States and the physical plant capacity of the defense industrial base, including their ability to modernize to meet future needs;

(ii) gaps in national-security-related domestic manufacturing capabilities, including non-existent, extinct, threatened, and single-point-of-failure capabilities;

(iii) supply chains with single points of failure or limited resiliency, especially at suppliers third-tier and lower;

(iv) energy consumption and opportunities to increase resiliency through better energy management;

(v) current domestic education and manufacturing workforce skills;

(vi) exclusive or dominant supply of the goods (or components thereof) identified pursuant to subsection (a) of this section by or through nations that are or are likely to become unfriendly or unstable; and

(vii) the availability of substitutes for or alternative sources for the goods identified pursuant to subsection (a) of this section;

(e) identifies the causes of any aspect of the defense industrial base or national-security-related supply chains assessed as deficient pursuant to subsection (d) of this section; and

(f) recommends such legislative, regulatory, and policy changes and other actions by the President or the heads of agencies as they deem appropriate based upon a reasoned assessment that the benefits outweigh the costs (broadly defined to include any economic, strategic, and national security benefits or costs) over the short, medium, and long run to:

(i) avoid, or prepare for, any contingencies identified pursuant to subsection (c) of this section;

(ii) ameliorate any aspect of the defense industrial base or national-security-related supply chains assessed as deficient pursuant to subsection (d) of this section; and

(iii) strengthen the United States manufacturing capacity and defense industrial base and increase the

resiliency of supply chains critical to national security.

Sec. 3. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

- (i) the authority granted by law to an executive department or agency, or the head thereof; or
- (ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

THE WHITE HOUSE,

July 21, 2017.

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