

**Associated Equipment Distributors
Association of Equipment Manufacturers
Commerce and Industry Association of New Jersey
Consumer Electronics Association
National Foreign Trade Council
New Jersey Business & Industry Association
New Jersey Chamber of Commerce
Organization for International Investment
TechAmerica
Trans-Atlantic Business Council
Truck and Engine Manufacturers Association
U.S. Chamber of Commerce**

December 11, 2014

Dear Assembly Member:

As organizations representing small and large companies across industry sectors, we are committed to promoting fair cross-border trade and investment policies. We respectfully urge state legislators to oppose A.3059/S.1811, legislation that would significantly undermine New Jersey workers trying to compete in a global marketplace by expanding domestic content requirements for procured manufactured goods. These new procurement requirements will also increase costs for taxpayers, jeopardize additional investments and expansions in the state, and place an unrealistic administrative burden on state and local procurement officials.

These concerns exist because A. 3059/S.1811 would substantially alter longstanding state procurement requirements. All state agencies, municipalities, local boards of education, and public institutions of higher education could only buy products that are manufactured domestically, and only if at least 50 percent of the final product's components (by cost) are also manufactured in the United States.

Employers we represent often rely on carefully managed cross-border supply chains that support local manufacturing to ensure efficiency, reduce costs for consumers, and maximize business productivity. These decisions are undertaken by both large and small businesses across industries in order to compete successfully in today's global economy.

A.3059/S.1811 would restrict many of these businesses from bidding on government contracts, positioning New Jersey as a far less competitive marketplace to invest for firms looking to support state agencies, universities, local schools, and municipalities. The result would be reduced marketplace competition and potential hikes in project costs by 20 percent, which New Jersey taxpayers will be forced to pay. Furthermore, the purchased goods' quality may diminish as the most qualified bidders could be precluded from competing. Emergency response vehicles, fire safety equipment, and certain kinds of water treatment chemicals are just a sample of the manufactured goods that would not meet the new requirements under this legislation.

Furthermore, how procurement officials at the municipality or school board levels would administer this law remains unclear. New Jersey businesses have concerns that jurisdictions will lack uniformity in determining which products meet the new domestic content standards. This added administrative burden will further complicate the procurement process, leading to uncertainty, inefficiency and added expense to New Jersey taxpayers.

While the concept of “Buying-America” sounds well-intended, this measure would have unwanted impacts on large and small New Jersey employers alike, undermining the very outcomes the bill hopes to achieve. There is no guarantee that Buy American policy will lead to local job creation. The employers we represent fear the reverse will happen, damaging New Jersey’s reputation as a state ready to compete in the 21st Century economy.

Thank you for your consideration.

Sincerely,

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