



July 16th, 2007

Dear Senator:

On behalf of the American Apparel & Footwear Association (AAFA) – the national trade association of the apparel and footwear industries, and their suppliers, including more than 100 government contractors – I am writing to express strong support for Section 824 of the National Defense Authorization Act for Fiscal Year 2008 (S 1547).

This provision is urgently needed to help reform the way in which Federal Prison Industries (FPI) – the Depression-era government-run system of prison-based factories – is awarded government contracts.

FPI enjoys a mandatory source status, which means it can win government contracts without having to go through competitive bidding. This special status is in addition to the many unfair advantages FPI already enjoys over private companies, such as government subsidized factories and permission to pay their inmate workers below the minimum wage. Left unchecked, FPI is able to use its enormous competitive advantage to win contracts at the expense of U.S. firms and their workers. And because FPI does not have to provide the best value, U.S. taxpayers lose out too.

Enactment into law of Section 824 would build on a series of reforms that Congress has enacted over the past few years to level the playing field between the FPI and private industry. It would give private companies a fairer chance to win contracts while still giving FPI the right to compete – using competitive bidding procedures – for those same opportunities.

In our industry, where unfair competition from FPI has led to the erosion of more than 30 percent of our industry workforce, reform of FPI is especially important. Because the military market is closed to foreign competition through the Berry Amendment, contracts that are not awarded to private industry are, by definition, awarded to mandatory source suppliers like FPI.

We urge you to oppose any efforts to strike Section 824 from the National Defense Authorization Act. Moreover, we would strongly support any efforts to strengthen Section 824 to make sure that it, like the underlying provision it amends, applies to the entire government.

Your strong and vocal support for Section 824 is greatly appreciated.

Sincerely,

A handwritten signature in black ink that reads 'Kevin M. Burke'. The signature is written in a cursive, flowing style.

Kevin M. Burke
President and CEO