

Congress of the United States
Washington, DC 20515

December 10, 2012

The Honorable Leon E. Panetta
Secretary of Defense
The Pentagon
Washington, D.C. 20301

Dear Secretary Panetta:

We write today as Chairman and Vice Chairman of the Congressional Steel Caucus to stress the critical relationship between our naval industrial base and the domestic steel industry.

A strong and powerful navy is crucial to protect our nation, maintain global security, and secure maritime trading routes.

The defense industrial base relies on a steel industry capable of rapid production of millions of metric tons used in building and maintaining America's navy. Since the production of steel is both labor and capital intensive, steelmakers must have certainty and predictability. Therefore, we urge you to maintain stability in planning as you consider future shipbuilding acquisition proposals.

Our naval shipbuilding base must have access to the highest-quality, American-made steel. The production of one aircraft carrier, which generates more than \$3 billion of economic activity and supports thousands of manufacturing jobs, requires \$265 million worth of American steel.

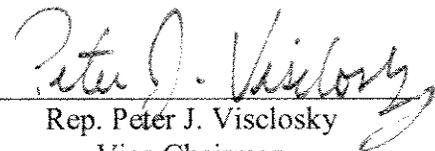
A healthy domestic steel sector is not only critical to national security, but also our nation's economy. From steelworkers to coal miners to machinists and fabricators, the steel supply chain supports over 930,000 American jobs and contributes \$17.5 billion to our gross domestic product. Thousands of towns and communities across the United States are dependent on the success of steelmaking, which in turn is reliant on a predictable and stable defense acquisition plan.

We thank you in advance for keeping those factors in mind as you develop the Navy's long-term shipbuilding strategy.

Sincerely,



Rep. Tim Murphy
Chairman
Congressional Steel Caucus



Rep. Peter J. Visclosky
Vice Chairman
Congressional Steel Caucus