

United States Senate  
WASHINGTON, DC 20510

July 16, 2025

The President  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Mr. President,

We write to raise concerns that shortcomings in the Reciprocal Defense Procurement (RDP) agreements process may be negatively impacting our defense industrial base. A recent Government Accountability Office (GAO) report shows that there needs to be a more robust review process for establishing and renewing RDP agreements, and your America First Trade Policy report similarly identified these agreements as a point of concern. We urge the administration to review and update the RDP agreement process to ensure that such agreements support the U.S. industrial base, to include establishing an interagency review process to oversee such agreements.

A robust defense industrial base is essential for national security and economic resilience, as it underpins the development, maintenance, and deployment of U.S. military assets. While RDPs can have positive impacts in facilitating integration with our partners and allies and enable positive exchanges, the significant impact of RDP agreements on our domestic industrial base necessitates rigorous scrutiny in their review, approval, and renewal. With the growing number of RDP agreements, we expect that your Agency Secretaries will thoroughly review and refine the process for entering into and renewing these agreements, ensuring they bolster U.S. industry while fortifying our defense partnerships.

RDP agreements are trade agreements for direct government procurement negotiated solely by the Department of Defense (DoD) with foreign counterparts, without Congressional ratification. Since first authorized by Congress in 1988, the DoD has entered into 28 RDP agreements and 6 related agreements with both North Atlantic Treaty Organization (NATO) member-states, major non-NATO allies, and other partner countries. Most agreements include automatic extension provisions. We understand that the DoD is currently negotiating new agreements.

We are concerned that RDP agreements have been used to waive or otherwise undermine “Buy American” requirements and similar domestic preferences that are in place to ensure that taxpayer dollars support American businesses and workers by prioritizing domestically produced goods and materiel when federal agencies make procurement decisions. This helps to bolster the U.S. economy, ensure a skilled domestic workforce, and strengthen our industrial base. Current DoD regulations (DFARS 225.872- 1) provide a blanket “public interest” waiver of all Buy

American requirements for defense materiel for any foreign supplier from a country with an active reciprocal defense procurement agreement. The RDP agreement process should ensure that the administration has thoroughly assessed the implications on our industrial base before they are finalized or renewed.

We are also concerned that the DoD may be making decisions about RDP agreements without sufficient input from domestic industry. Federal law authorizes the Department of Commerce to initiate an interagency review of existing RDP agreements if Commerce has reason to believe an agreement either has or could have “a significant adverse effect on the international competitive position of the U.S. industry.” To date, Commerce has never completed such a review, even for RDPs that have been renewed several times. The administration can address this shortcoming by ensuring that Commerce and the International Trade Commission review RDPs and that the process includes mechanisms and transparency to allow for domestic industry input. U.S. companies should have clear opportunities to alert the administration when a proposed trade agreement may harm them.

At Congress’ request, the Government Accountability Office (GAO) recently completed a review of all existing RDP agreements, and their findings verify our concerns. According to GAO, since 2018, DoD has skipped important due diligence steps for entering into and renewing RDP agreements. For three agreements, DoD did not solicit U.S. industry input, and for another agreement, DoD did not seek analysis from Commerce, as required by law. Additionally, GAO found that Commerce’s methodology to assess RDP agreements has several weaknesses, including that it does not analyze the impact of RDP agreements on services. In Fiscal Year 2022, services comprised 49 percent of the value of DoD procurement. The GAO also found that DoD waives Buy America requirements for partner countries even if their RDP agreement has expired. The GAO further found there was insufficient compliance with a 2021 requirement that the Made in America Office review RDP agreements to ensure domestic producers will have equal and proportional access to partner defense markets.

We must ensure that any RDP agreements undergo rigorous scrutiny with transparent decision-making processes and input from industry stakeholders. The decision to enter or renew such agreements should be guided by strategic imperatives, not expediency. Our domestic industrial base should be able to take priority when that goal clashes with other priorities.

Given the results of the GAO report, we urge the administration to review the RDP agreements process to ensure that such agreements fulfill their intended purpose of supporting U.S. industry and manufacturers while still bolstering our defense relationships with allies and partners. We encourage you to implement GAO’s recommendations and ensure all RDPs undergo robust interagency review.

Thank you for your attention to this critical matter. We look forward to your response.

Sincerely,



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Tammy Baldwin  
United States Senator



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Jim Banks  
United States Senator

CC: Secretary of State  
Secretary of Defense  
Secretary of Commerce  
Office of Management and Budget