## OFFICE OF THE UNDER SECRETARY OF DEFENSE

## 3000 DEFENSE PENTAGON WASHINGTON, DC 20301-3000

ACQUISITION, TECHNOLOGY AND LOGISTICS

Mr. Kevin Kurland
Director, Office of Technology Evaluation
Bureau of Industry and Security, U.S. Department of Commerce
1401 Constitution Ave., NW, Room 1093
Washington, DC 20230

NOV 0 1 2007

Dear Kevin,

This letter is in response to a Department of Commerce (DOC) initiative to assess the health, competitiveness, and capabilities of 5-axis machine tool companies to supply tools to critical U.S. Government and industry end-users. Machine tool manufacturing and, in particular, 5-axis machines, are a backbone technology for producing advanced defense-critical parts. My office plays a key role in promoting actions to ensure the Department of Defense and its contractors can reliably procure high-quality tools and components as necessary to produce and support critical defense systems.

In January 2007, the Institute for Defense Analyses completed a machine tool assessment as part of its study on "Export Controls and the U.S. Defense Industrial Base." That report asserted that overall U.S. machine tool leadership has been lost and raised the question of whether an indigenous capability to manufacture cutting edge technology tools still is a critical defense need. I would welcome the DOC's effort to compile data to assess the capabilities of U.S. and foreign manufacturers to reliably meet the needs of the Department of Defense.

My point of contact for your assessment is Ms. Dawn Vehmeier. Please contact her as necessary.

Sincerely,

Gary A. Powell

Long at owll

Assistant Deputy Under Secretary

(Industrial Policy)