

Testimony of
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The Committee on Small Business
Subcommittee on Contracting and Infrastructure

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An Overview of the Dynamic Between the Defense Production Act
and Small Contractors

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My name is Traci Tapani and I am Co-President and owner of Wyoming Machine, Inc., a family owned precision sheet metal fabrication company located in Stacy, Minnesota. Wyoming Machine was founded by my father, Thomas Tapani, in 1972, and I have owned and operated the company in partnership with my sister, Lori Tapani, for the past 26 years. I come from a long line of small business owners and women in manufacturing. We pride ourselves on our perseverance and our ability to get the job done.

While the Defense Production Act (DPA) is a valuable tool in times of emergency and it can direct the efforts of industries towards necessary products, the DPA is not always the driving force behind the mobilization of America's small businesses. In the years following the attack on Pearl Harbor, a young woman left her office job in Chicago and headed for Sturgeon Bay, Wisconsin. When she arrived at the shipyards, she asked, "What can I do to help?" and she soon joined hundreds of other women welding ships in support of WWII. The woman I've just described is Magdalene Halladay, my great aunt. If she were telling this story, she'd want you to know that she was paid \$0.25 per hour, but she would have worked for free. The Defense Production Act (DPA) did not become law until 1950, but its roots stem back to WWII and the mass mobilization and refocusing of businesses and citizens to the production of goods needed for national defense.

Nearly 70 years after the DPA became law, it was our time to join a mass mobilization of industry and people in response to the global COVID-19 pandemic. Our opportunity came when we received an order for a part that we have made many times before. Different from any other time we manufactured the part, this time we knew it was a component of a medical ventilator. Over a period of two months, we manufactured 60,000 parts. Twelve times the volume we produced in 2019. Members of this committee may be surprised to learn that the DPA was not part of the contract under which we manufactured these medical ventilator parts.

If not the Defense Production Act, then what drives small businesses to produce essential products with little or no notice?

Like Wyoming Machine, many small manufacturing businesses operate as job shops and responding to uncertainty and building unique parts is vital to our business model. A key characteristic of a job shop is that parts being manufactured change frequently. Job shops can quickly adapt to changes in customer product demand and job shops can simultaneously manufacture a wide variety of parts across a broad range of industries. Our ability to adapt to changing needs allows us to make ventilator parts one day and playground parts the next. The job shop model, in part, allowed Wyoming Machine to implement a rapid response to the unexpected increase in demand for medical ventilator parts.

Despite its importance, the use of the DPA to compel private businesses to accept and prioritize government contracts creates a vastly different feeling than the forces that compelled my Great Aunt to leave her office job for a welding job during WWII or the forces that motivated the owners or employees of Wyoming Machine to ramp up production of medical ventilator parts. Author Simon Sinek wrote that, "Working hard for something we don't care about is called stress; working hard for something we love is called passion." Wyoming Machine employees were told about the opportunity to help during the COVID-19 pandemic, and they were inspired and motivated. When asked to produce more parts at a faster rate, our employees worked out their own plans to get the job done. Our company passion for

manufacturing, combined with our desire to help in a time of need, made our work feel almost effortless.

My testimony before this committee is not to argue for or against the merits of the DPA, but rather to share a small business perspective during a time when the DPA has been used to direct private sector businesses to produce medical ventilators and other supplies needed during the COVID-19 pandemic. There will always be American businesses ready and willing to respond in a time of need and I believe that small businesses have a special role to play due to their agility and ability to quickly mobilize.