

**The Honorable Roger Wicker**

Chairman  
Senate Armed Services Committee  
425 Russell Senate Office Building  
Washington, DC 20510

**The Honorable Mike Rogers**

Chairman  
House Armed Services Committee  
2469 Rayburn House Office Building  
Washington, DC 20515

**The Honorable Jack Reed**

Ranking Member  
Senate Armed Services Committee  
728 Hart Senate Office Building  
Washington, DC 20510

**The Honorable Adam Smith**

Ranking Member  
House Armed Services Committee  
2264 Rayburn House Office Building  
Washington, DC 20515

November 5, 2025

Dear Chairmen Wicker and Rogers, and Ranking Members Reed and Smith,

During conference negotiations for H.R. 3838—Streamlining Procurement for Effective Execution and Delivery and National Defense Authorization Act for Fiscal Year 2026, and S. 2296—National Defense Authorization Act for Fiscal Year 2026, we urge you to reject the topline increase proposed in S. 2296, and to retain provisions from each bill ensuring appropriate oversight of federal spending.

**Reject the \$32 Billion Topline Increase**

Our organizations differ on the appropriate size and scope of the federal government, but we all agree that the Pentagon budget is larger than it needs to be to defend the nation. Authorizing a \$32 billion hike on top of the more than 13 percent increase included in the budget request is fiscally ill-advised and strategically counterproductive. Before this year's increases, the Pentagon budget had already grown by nearly 50 percent adjusted for inflation since the turn of the 21<sup>st</sup> Century.<sup>1</sup> Effectively meeting legitimate national security needs requires strategic prioritization and cuts to wasteful or unnecessary programs, not unrestrained spending that invites waste, fraud, and contract bloat. We urge you to reject the Senate's proposed topline increase and stick to the amount requested by the President for FY26.

**We urge you to retain the following provisions from H.R. 3838:**

- *Sec. 806—Major System Cost Growth Oversight.* This section would strengthen oversight provisions in the Nunn-McCurdy Act by ensuring significant or critical cost growth in Major Defense Acquisition Programs (MDAPs) is reported to Congress

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<sup>1</sup> Grazier, Dan, Julia Gledhill, and Geoff Wilson. "Current Defense Plans Require Unsustainable Future Spending." Stimson Center. July 16, 2024. <https://www.stimson.org/2024/current-defense-plans-require-unsustainable-future-spending/>

within 30 days following the determination or internal reporting of such cost growth. It would also ensure that major sub-programs, as well as operations and support costs, are subject to the same reporting requirements.

- *Sec. 813—Other Transaction Authority Reporting.* This section requires the same reporting for Other Transactions as other similar Pentagon expenditures. Other Transactions are currently not subject to many of the reporting requirements of standard Pentagon contracts, limiting transparency and increasing the risk of wasteful spending.
- *Sec. 1008—Department of Defense Spending Reductions in Absence of Submitted Financial Statements or Failure to Achieve Unqualified or Qualified Independent Audit Opinion.* This section requires covered military departments or Defense Agencies (excluding the Defense Health Program and military personnel accounts) that fail to achieve a qualified or unqualified audit opinion to forfeit 0.5 percent of their discretionary budget allocation to the Treasury Department. This requirement creates a meaningful incentive for military departments and agencies to pass their audits, and ensures accountability for those that fail to receive a qualified or unqualified audit opinion.

**We urge you to retain the following provisions from S. 2296:**

- *Sec. 1540—Limitation on Availability of Funds for Missile Defense Agency Pending Arrangement for Independent Analysis of Space-Based Missile Defense Capability.* This section would cap funds available to the Missile Defense Agency at 90 percent of appropriated funds until it secures an updated independent assessment of space-based missile defense capabilities. Regardless of the signatories' varied opinions on expanded space-based missile defense, this provision is necessary because the Missile Defense Agency has failed to secure such an assessment, despite language in the FY 2024 NDAA requiring the Secretary of Defense to seek to enter such an arrangement within 90 days of enactment. Producing a thorough exploration of current and future capacity before billions of dollars are spent on taxpayers' behalf is non-negotiable, especially when the proposed system could become one of the costliest defense programs in U.S. history.<sup>2</sup>

**Regarding similar provisions in both bills, we urge you to consider:**

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<sup>2</sup> Harrison, Todd. "Build Your Own Golden Dome: A Framework for Understanding Costs, Choices, and Tradeoffs." American Enterprise Institute. Sep. 12, 2025. <https://www.aei.org/research-products/working-paper/build-your-own-golden-dome-a-framework-for-understanding-costs-choices-and-tradeoffs/>

- *Sec. 863 of H.R. 3838—Requirement for Contractors to Provide Reasonable Access to Repair Materials* and *Sec. 836 of S. 2296—Instructions for Continued Operational Readiness* both require Pentagon contractors to provide the Pentagon with fair and reasonable access to the tools and information necessary to repair its own equipment. These provisions will improve military readiness, protect servicemembers, and reduce costs associated with conducting repairs and maintenance.<sup>3</sup> However, the Senate version exempts commercial contracts, effectively codifying existing limits on the Pentagon’s ability to maintain and repair a wide array of essential equipment designated as commercial. We therefore urge you to retain Sec. 863 of H.R. 3838 in the final bill, or to retain Sec. 836 of S. 2296 while removing its exemption for commercial items.
- *Sec. 803 of H.R. 3838—Reporting of Price Increases* and *Sec. 835 of S. 2296—Reporting on Price Increases* both require Pentagon contractors to report on cost growth above certain thresholds for covered products or services to the relevant contracting officer within 30 days of becoming aware of the cost growth. Ensuring the Pentagon is made aware of significant cost growth in a timely manner will improve its ability to respond to cost growth and make any necessary adjustments to program structures, schedules, and budget requests. One of these provisions should be retained in the final bill.

Thank you for your consideration of these recommendations, which will strengthen oversight and accountability in Pentagon spending.

Sincerely,

Demand Progress  
National Priorities Project at the Institute for Policy Studies  
National Taxpayers Union  
Peace Action  
Project on Government Oversight  
Public Citizen  
Quincy Institute for Responsible Statecraft  
R Street Institute  
Taxpayers for Common Sense  
Veterans for Peace

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<sup>3</sup> Murphy, Gabe. “Service members should have the tools to repair their equipment.” Stars and Stripes. July 3, 2025. <https://www.stripes.com/opinion/2025-07-03/troops-should-have-tools-to-repair-equipment-18324893.html>