



September 8, 2020

The Honorable Jim Inhofe
228 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Adam Smith
2216 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jack Reed
228 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Mac Thornberry
2216 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Inhofe, Chairman Smith, Ranking Member Reed, and Ranking Member Thornberry:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I urge you to retain several good-government provisions in the Senate and House versions of the Fiscal Year (FY) 2021 National Defense Authorization Act (NDAA) as you prepare to conference on the legislation. These provisions, detailed below, would help make the Department of Defense more efficient and accountable to taxpayers without adversely impacting servicemembers or civilian personnel at DoD.

NTU has long used its extensive body of work on government reform to advocate for better operational and financial management at the Pentagon. Though we sometimes disagree with Members of Congress on topline levels of investment in the Pentagon budget, we have regularly found common ground with Members across the ideological spectrum on the need for a DoD that is more transparent and effective for taxpayers.

To that end, we urge you to keep the following provisions of S. 4049, the "National Defense Authorization Act for Fiscal Year 2021," in the conference version of the FY 2021 NDAA:

- **Sec. 1003, "Incentives for the achievement by the components of the Department of Defense of unqualified audit opinions on the financial statements."**¹ This section would require DoD to develop and report to Congress on incentives that could help agencies and departments within DoD pass their financial audits. This commonsense measure would explore what incentives, if any, could help DoD turn the tide on its decades-long financial management struggles.
- **Sec. 1088, "Requirement to post a 100 word summary to regulations.gov."**² Even legal and policy experts can sometimes have trouble analyzing lengthy and complex proposed regulations from federal agencies. This provision would require a short "plain language" summary for each proposed rule, instantly making these agencies more accessible to the general public.

¹ Congress.gov. "S. 4049." (Page 697.) Retrieved from: <https://www.congress.gov/116/bills/s4049/BILLS-116s4049es.pdf#page=697>

² *Ibid.*, Page 785. Retrieved from: <https://www.congress.gov/116/bills/s4049/BILLS-116s4049es.pdf#page=785>

And we encourage you to keep the following provisions of H.R. 6395, the “William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021,” in the conference version of the FY 2021 NDAA:

- **Sec. 1770, “Taxpayers Right-To-Know Act.”**³ The Taxpayers Right-To-Know Act would require the Office of Management and Budget (OMB) to complete its work on a federal program inventory, a requirement originally included in the Government Performance and Results Act (GPRA) Modernization Act of 2010. A coalition of eight good-government groups wrote to the House Committee on Oversight and Reform in July 2020, urging their support for this amendment’s inclusion in the NDAA.⁴ The coalition was pleased to see Taxpayers Right-To-Know added to H.R. 6395 on a voice vote, and NTU sincerely hopes conferees will keep the legislation in their compromise bill.
- **Sec. 813, “Contractor whistleblower protections relating to nondisclosure agreements.”**⁵ Whistleblowers play a critical role in preventing waste and abuse of taxpayer dollars. This provision, which earned bipartisan support in the House, would ensure subcontractors and subgrantees have the same whistleblower protections the federal government affords to contractors and grantees.
- **Sec. 849, “Reestablishment of Commission on Wartime Contracting.”**⁶ This provision would restore the Wartime Contracting Commission, which during just three years of existence uncovered between \$31 billion and \$60 billion lost to waste, fraud, and abuse through wartime contracting in Iraq and Afghanistan.⁷
- **Sec. 1005, “Department of Defense audit remediation plan.”**⁸ This section would give Congress a better sense of how much DoD has spent on maintaining and updating its financial management systems over the past five years. This will give lawmakers a better understanding of the Pentagon’s progress in avoiding future audit failures and improving the in-house financial system at the sprawling agency.
- **Sec. 1006, “Public availability of Department of Defense legislative proposals.”**⁹ When DoD makes certain requests of Congress that do not contain classified or otherwise sensitive information, the public should know about these interactions between the two branches. This measure would ensure that the public has access to requests DoD makes to either of the Armed Services committees in Congress.
- **Sec. 1115, “Vacancy of Inspector General positions.”**¹⁰ This section would ensure that Inspector General (IG) vacancies are filled by first assistants in an acting capacity and, if first assistants are not available, by an individual who served in an IG office for at least 90 days during the prior year. This provision would ensure that acting IGs, who serve a critical role in watching over taxpayer dollars, are filled by individuals qualified to serve as an IG and knowledgeable of the office’s responsibilities.

³ *Ibid.*, Page 1935. Retrieved from: <https://www.congress.gov/116/bills/hr6395/BILLS-116hr6395pcs.pdf#page=1935>

⁴ Lautz, Andrew. “Eight Good Government Groups Urge Inclusion of Taxpayers Right-To-Know Act in House NDAA.” National Taxpayers Union, July 9, 2020. Retrieved from:

<https://www.ntu.org/publications/detail/eight-good-government-groups-urge-inclusion-of-taxpayers-right-to-know-act-in-house-ndaa>

⁵ Congress.gov. “H.R. 6395.” (Page 786.) Retrieved from:

<https://www.congress.gov/116/bills/hr6395/BILLS-116hr6395pcs.pdf#page=786>

⁶ *Ibid.*, Page 911. Retrieved from: <https://www.congress.gov/116/bills/hr6395/BILLS-116hr6395pcs.pdf#page=911>

⁷ Lautz, Andrew. “Reforming the OCO Account: A Better Deal for Taxpayers, Watchdogs, and the Military.” National Taxpayers Union, May 26, 2020. Retrieved from:

<https://www.ntu.org/publications/detail/reforming-the-oco-account-a-better-deal-for-taxpayers-watchdogs-and-the-military>

⁸ *Ibid.*, Page 965. Retrieved from: <https://www.congress.gov/116/bills/hr6395/BILLS-116hr6395pcs.pdf#page=965>

⁹ *Ibid.*, Page 966. Retrieved from: <https://www.congress.gov/116/bills/hr6395/BILLS-116hr6395pcs.pdf#page=966>

¹⁰ *Ibid.*, Page 1045. Retrieved from: <https://www.congress.gov/116/bills/hr6395/BILLS-116hr6395pcs.pdf#page=1045>

- **Sec. 1522, “Report on transitioning funding.”**¹¹ This provision would require the Secretary of Defense to report to Congress on how the Pentagon intends to shift Overseas Contingency Operations (OCO) funding from the OCO account to the base budget. The OCO account may go away soon with the expiration of Budget Control Act (BCA) caps, but if it does not then DoD should have a plan for moving base and enduring costs out of an account that is supposed to be limited to emergency needs.
- **Sec. 1710J, “Comptroller General report on Department of Defense processes for responding to congressional reporting requirements.”**¹² This provision would have the Government Accountability Office (GAO) explore the feasibility of a “congressional tracking database” that makes unclassified, Congressionally mandated reports from DoD available to the public in one centralized location.
- **Sec. 1710L, “Report on transforming business processes for revolutionary change.”**¹³ In 2015, the Defense Business Board identified \$125 billion in five-year savings at the Pentagon that could be achieved mostly by cutting overhead costs. According to media reporting, though, DoD “killed” the plan and “imposed secrecy restrictions on the data making up the study, which ensured no one could replicate the findings.”¹⁴ This provision would ask DoD to update Congress on efforts to implement cost-savings recommendations identified in the Defense Business Board report. Importantly, it also asks DoD to identify alternative options to achieve a target of \$125 billion in five-year savings at the Pentagon.

Last but not least, we urge you to remove Sec. 911 of S. 4049¹⁵ and Sec. 901 of H.R. 6395,¹⁶ each of which would eliminate the Chief Management Officer (CMO) position at DoD, along with subsequent sections in each bill that are inextricably linked to the elimination of the CMO position. The CMO position has not been in place for very long but has already identified billions of dollars in savings for taxpayers.¹⁷ It is too early to give up on the office. Thank you for your consideration of the above good-government measures. Should you have any questions or would like to discuss these provisions further, we would be happy to do so.

Sincerely,

Andrew Lautz
Policy and Government Affairs Manager

¹¹ *Ibid.*, Page 1577. Retrieved from: <https://www.congress.gov/116/bills/hr6395/BILLS-116hr6395pcs.pdf#page=1577>

¹² *Ibid.*, Page 1795. Retrieved from: <https://www.congress.gov/116/bills/hr6395/BILLS-116hr6395pcs.pdf#page=1795>

¹³ *Ibid.*, Page 1798. Retrieved from: <https://www.congress.gov/116/bills/hr6395/BILLS-116hr6395pcs.pdf#page=1798>

¹⁴ Whitlock, Craig, and Woodward, Bob. “Pentagon buries evidence of \$125 billion in bureaucratic waste.” *The Washington Post*, December 5, 2016. Retrieved from:

https://www.washingtonpost.com/investigations/pentagon-buries-evidence-of-125-billion-in-bureaucratic-waste/2016/12/05/e0668c76-9af6-11e6-a0ed-ab0774c1eaa5_story.html (Accessed August 25, 2020.)

¹⁵ Congress.gov. “S. 4049.” (Page 576.) Retrieved from: <https://www.congress.gov/116/bills/s4049/BILLS-116s4049es.pdf#page=576>

¹⁶ Congress.gov. “H.R. 6395.” (Page 916.) Retrieved from:

<https://www.congress.gov/116/bills/hr6395/BILLS-116hr6395pcs.pdf#page=916>

¹⁷ Metha, Aaron. “Pentagon CMO open to changes to office, but confident in reform efforts.” *Defense News*, May 7, 2020. Retrieved from: <https://www.defensenews.com/pentagon/2020/05/07/pentagon-cmo-open-to-changes-to-office-but-confident-in-reform-efforts/> (Accessed August 25, 2020.)