



To: Members of the House Committee on Appropriations

From: Andrew Lautz, Director of Federal Policy, National Taxpayers Union

Date: July 12, 2021

Subject: Taxpayer Considerations for the FY 2022 Department of Defense (DoD) Appropriations Bill

I. Introduction and Key Taxpayer Considerations

NTU, the nation's oldest taxpayer advocacy organization, appreciates the opportunity to offer Committee members our views and considerations of the FY 2022 DoD appropriations bill. NTU has worked on defense budget matters for decades, and we have long been concerned that lawmakers are devoting too many taxpayer dollars to DoD while we face looming debt and deficit crises. To that end, we were [disappointed](#) that the Biden administration's FY 2022 DoD budget request effectively called for flat funding levels, rather than the responsible reductions taxpayers deserve.

We acknowledge it is not merely enough to criticize existing spending and to call for spending cuts without further specifics. Fortunately, [NTU](#) and its cross-ideological [partners](#) outside of government have regularly and recently offered lawmakers with blueprints for cutting the DoD budget. From reducing service contracting, to canceling the purchase of additional F-35 Joint Strike Fighter aircraft, to reducing the size of the nuclear triad and reducing funding for Naval ship construction, NTU and other civil society organizations have presented lawmakers with numerous politically challenging but operationally feasible options.

We stand ready to work with lawmakers across the ideological spectrum who are willing to explore responsible reductions to the DoD topline. And for any lawmakers that may disagree with us on the need for a reduced topline, we hope to work together on bipartisan provisions to this bill and the National Defense Authorization Act (NDAA) that could make DoD more efficient, transparent, and responsive to taxpayers.

II. Proposed Amendments

NTU recommends lawmakers **STRIKE** Section 8105, which prohibits the Navy from decommissioning the USS *Fort Worth*, the USS *Detroit*, and the USS *Little Rock*, three Littoral Combat Ships (LCS) in the Freedom class. NTU recently [called](#) the LCS the "perennial portrait of DoD overindulgence," and we noted that the Government Accountability Office (GAO) has raised several ongoing issues and procurement cost increases for the LCS. As NTU also noted, "[t]he value the LCS provides to the US Navy's Force Structure seems to diminish, even as the cost of the project grows steadily." The Navy seems to recognize this fact, given their budget request [called](#) for decommissioning the *Fort Worth*, *Detroit*, and *Little Rock*. Congress should allow the Navy to do so.

NTU recommends lawmakers **STRIKE** Section 8024, which requires for-profit contractors paid in FY 2022 to pay employees a minimum wage of \$15 per hour. As federal lawmakers debate how to address the federal minimum wage, appropriators should not attempt to preemptively move this debate to the federal contracting space -- where taxpayers are exposed to the potential upward pressure wage mandates could put on agency procurement budgets. To the extent a minimum wage requirement significantly higher than the federal minimum wage puts upward pressure on the defense budget, taxpayers will be left holding the proverbial bag.

NTU recommends lawmakers **STRIKE** the following “Buy America” provisions from the legislation. Buy America restrictions often lead to [inefficient purchasing and procurement decisions](#) by federal agencies, [cost U.S. taxpayers more money](#), invite [foreign retaliation](#), and [harm U.S. allies](#) rather than the adversaries such restrictions often seek to target. Lawmakers should remove the Buy America provisions in this legislation, and should broadly seek to remove many existing domestic procurement restrictions in current law. The following provisions should be removed from the legislation:

- Section 8016, concerning “welded shipboard anchor and mooring chain 4 inches in diameter and under”;
- Section 8031, requiring all DoD entities to comply with the “Buy American Act” (title 41 of the U.S. Code, chapter 83) and offering the “sense of Congress” that DoD entities “purchase only American-made equipment and products”;
- Section 8032, limiting the procurement of “carbon, alloy, or armor steel plate for use in any Government-owned facility or property” that were “not melted and rolled” in the U.S. or Canada;
- Section 8033, requiring the Secretary of Defense to report on Buy American Act waivers. This provision also requires the Secretary to rescind blanket waivers if they determine, with the U.S. Trade Representative, that a foreign country “has violated the terms of the agreement by discriminating against certain types of products produced” in the U.S. “that are covered by the agreement”;
- Section 8034, concerning Buy America restrictions on “ball and roller bearings”; and
- Section 8037, concerning Buy America restrictions on U.S. flags.

III. Contact Information

Should you have any questions about the recommendations in this memo, please do not hesitate to reach out to me at alautz@ntu.org.