

To: Members of the House Committee on Appropriations

From: National Taxpayers Union

Date: June 21, 2022

Subject: The Committee's Markup of FY 2023 Defense Appropriations Legislation

I. Introduction and Key Taxpayer Considerations

National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, continues to be concerned with excessive spending in the Department of Defense (DoD) and the agencies covered by the 11 other regular discretionary appropriations bills. Though NTU applauds the Committee (and the Defense Subcommittee) for resisting the urge to offer a DoD spending topline above the President's budget request – which the Senate Armed Services Committee has already proposed in their authorizing legislation for fiscal year (FY) 2023 – we are troubled by several provisions in the current FY 2023 DoD appropriations bill related to protectionism and other requirements that will drive up costs for America's taxpayers. We are even more concerned about likely efforts by Members of Congress to increase authorized and appropriated defense spending beyond President Biden's budget request totals.

What follows are recommendations to Committee members from NTU, in regards to language the Committee should strike from the FY 2023 DoD spending bill and other amendments and efforts Committee members should resist.

II. Possible Amendments to the FY 2023 DoD Spending Bill

Our most important recommendation to Committee members is to **OPPOSE** any efforts – at the Committee level or on the House floor – to increase DoD topline appropriations above the Biden budget request. For example, the Senate Armed Services Committee has already added \$45 billion above President Biden's FY 2023 request to proposed defense authorization levels. It is likely some lawmakers will make similar proposals for DoD appropriations. At a time of historic debt and deficits, Congress should be exploring how to reduce spending at DoD and in every other federal agency. To the extent inflation is putting pressure on various spending in DoD's budget, such as basic pay, food, and energy costs, Congress should ask DoD to explore what programs or priorities they could cut back on that are less subject to inflationary pressures, such as procurement and research and development.

In addition to opposing efforts to increase the DoD topline, NTU also encourages Committee members to adopt the following amendments:

- Eliminate more than \$54 million in earmarks dubbed Community Project Funding.
- Strike Section 8024, requiring DoD contractors to pay a \$15 per hour minimum wage; this will likely raise labor costs for the federal government and, by extension, taxpayers, and does not reflect radically different costs of living in different parts of the nation.
- Strike Section 8101, which prevents the Navy from decommissioning five Littoral Combat Ships (LCS); the value of the LCS fleet to the Navy is <u>diminishing</u> year by year, and when the Navy tells Congress they want to decommission a ship, lawmakers should listen.
- Strike most of the provisions relating to "Buy American" requirements. As former President and
 Supreme Allied Commander Dwight Eisenhower <u>observed</u>, "it is improper policy, unbusinesslike
 procedure and unfair to the taxpayer for the Government to pay a premium on its purchases."
 These protectionist measures increase costs for U.S. taxpayers, risk retaliatory trade measures
 from our allies, and make supply chains less diverse and resilient at a fragile time for the
 domestic and global economy; provisions the Committee should strike include:
 - Section 8016 (relating to welded shipboard anchor and mooring chain);
 - Section 8030 (including a sense of Congress on "Buy American");
 - Section 8031 (relating to carbon, alloy, or armor steel plate);
 - Section 8032 (regarding reporting on "Buy American" waivers);
 - Section 8033 (relating to ball and roller bearings); and
 - Section 8037 (relating to American flags).

III. Contact Information

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