



September 6, 2022

The Honorable Patrick Leahy
Chair, Senate Committee on Appropriations
S-146A, The Capitol
Washington, D.C. 20510

The Honorable Jack Reed
Chair, Senate Committee on Armed Services
228 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Richard Shelby
Ranking Member, Senate Committee on
Appropriations
S-128, The Capitol
Washington, D.C. 20510

The Honorable James Inhofe
Ranking Member, Senate Committee on Armed
Services
228 Russell Senate Office Building
Washington, D.C. 20510

Dear Chair Leahy, Chair Reed, Ranking Member Shelby, and Ranking Member Inhofe:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, we request that as you advance fiscal year (FY) 2023 defense appropriations and authorizations legislation for consideration by the full Senate this fall, you avoid including language that could significantly increase the burdens borne by taxpayers for the Next Generation Interceptor (NGI) program under the Missile Defense Agency (MDA).

As you know, S. 4543, the James M. Inhofe National Defense Authorization Act for FY 2023, includes a provision (Sec. 1544) that would, according to the Senate Armed Services Committee's report (emphasis ours):

“...require the Secretary of Defense to provide a funding plan to the Congress at the time of the President's budget request for fiscal year 2024 for the Missile Defense Agency that would enable the acquisition of no fewer than 64 Next Generation Interceptors **in order to have a uniform fleet of interceptors** with the same attributes.”¹

This appears to be a relatively new request from Senate authorizers, and we are deeply concerned that such a funding plan, if ultimately provided to lawmakers as requested in Sec. 1544, would significantly and unnecessarily increase the costs that taxpayers will incur for the NGI program.

NTU published a policy paper on competition in defense acquisition, which included an in-depth discussion of NGI and its failed predecessor, the Redesigned Kill Vehicle (RKV) program, in April of this year.²

¹ Congress.gov. “S. Rept. 117-130 - JAMES M. INHOFE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2023.” July 18, 2022. Retrieved from: <https://www.congress.gov/congressional-report/117th-congress/senate-report/130/1> (Accessed August 16, 2022.)

² Sepp, Pete, and Lautz, Andrew. “A Run for Our Money – The Latest on Why Competition in Defense Acquisitions Can Save Tax Dollars.” NTU, April 12, 2022. Retrieved from:

In that paper, we wrote that Congress and the MDA must learn from the failures of RKV – and other acquisition programs saddled with developmental delays and cost overruns – by competing the NGI program between two or more entities through the critical design review (CDR) phase of the acquisition lifecycle and by testing the program’s kill vehicles *before* production rather than after.³ As we noted:

“If MDA proceeds carefully ... and maintains robust competition on quality and cost competitiveness through the development stages of NGI, they may just avoid the mistakes of the past while extending greater respect to taxpayers going forward.”

Some actions at MDA, in Congress, and from the White House have given taxpayers cause for encouragement. Last year’s House-passed NDAA included language affirming “fly before you buy” and other oversight principles for NGI,⁴ which the Administration’s budget request largely echoed. Former military officials have praised this bipartisan commitment to competition, and its value in helping to hone a system that delivers on-time, on-budget, value-added capability.⁵

Nonetheless, our policy paper also pointed out that other recent developments in the NGI program were troubling for taxpayers; namely, that in FY 2022 the Senate Armed Services Committee had directed MDA to plan for more than tripling the number of NGIs procured under the program, from the current 21 to 65, under their version of the FY 2022 NDAA. Unfortunately, this provision was included in the version of the FY 2022 NDAA that became law.⁶

Sec. 1544 of S. 4543 risks doubling down on this mistake by requiring 64 NGIs to be of “a uniform fleet.” There are currently 44 Ground-Based Interceptors (GBIs) in the Ground-based Midcourse [Missile] Defense (GMD) system, meaning that prior NGI plans envisioned acquiring 20 NGIs to bring the total size of the GMD kill vehicle fleet to 64. Such a plan, if funded by Congress and implemented by MDA, could lay waste to dozens of functioning GBIs and effectively duplicate costs for taxpayers funding the GMD system. This could ultimately cost taxpayers billions of dollars.⁷

We instead urge Senate authorizers and appropriators to exercise caution with the NGI program, continuing competition through CDR and ensuring that production – should it move forward – does not duplicate the functions already met in the GMD system by 44 GBIs.

Should you have any questions or feedback, we are at your service.

<https://www.ntu.org/publications/detail/a-run-for-our-money-the-latest-on-why-competition-in-defense-acquisitions-can-save-tax-dollars>

³ *Ibid.*

⁴ House Committee on Armed Forces. “Subcommittee on Strategic Forces En Bloc #1.” September 1, 2021. Retrieved from: <https://docs.house.gov/meetings/AS/AS00/20210901/114012/BILLS-117-HR4350-C000754-Amdt-STREB1.pdf#page=24> (Accessed August 30, 2022.)

⁵ Rosenblum, Todd. “How the US can curb the North Korean nuclear threat.” Atlantic Council, August 3, 2022. Retrieved from: <https://www.atlanticcouncil.org/blogs/new-atlanticist/how-the-us-can-curb-the-north-korean-nuclear-threat/> (Accessed August 30, 2022.)

⁶ Congress.gov. “S.1605 - National Defense Authorization Act for Fiscal Year 2022.” December 27, 2021. Retrieved from: <https://www.congress.gov/bill/117th-congress/senate-bill/1605/text> (Accessed August 16, 2022.)

⁷ Sherman, Jason. “Senate panel directs MDA to draft plans to triple size of NGI fleet.” *Inside Defense*, September 22, 2021. Retrieved from: <https://insidedefense.com/daily-news/senate-panel-directs-mdo-draft-plans-triple-size-ngi-fleet> (Accessed August 16, 2022.)

Sincerely,

Pete Sepp, President

Andrew Lautz, Director of Federal Policy

CC: Members of the Senate Committee on Appropriations
Members of the Senate Committee on Armed Services
The Honorable Rosa DeLauro, Chair, House Committee on Appropriations
The Honorable Kay Granger, Ranking Member, House Committee on Appropriations
The Honorable Adam Smith, Chair, House Committee on Armed Services
The Honorable Mike Rogers, Ranking Member, House Committee on Armed Services
Members of the House Committee on Appropriations
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