The Honorable Michael Burgess Chairman House Committee on Rules 2161 Rayburn House Office Building Washington, DC 20515 The Honorable Jim McGovern Ranking Member House Committee on Rules 370 Cannon House Office Building Washington, DC 20515

As a group of organizations dedicated to taxpayer interests and government accountability, we write to express our support for an amendment to H.R. 8070, the Fiscal Year 2025 National Defense Authorization Act (NDAA), to repeal the statutory requirements for unfunded priority lists (UPLs), and to request that this amendment be included in the rule governing floor debate of the NDAA.¹

Since 2017, Congress has statutorily required military service leaders and combatant commanders to submit extrabudgetary wish lists known as UPLs. They are not subject to the same requirements as funding included in the Presidential budget request, such as long-term cost assessments and justifications. As a result, the requirement for these lists fuels unnecessary spending and subverts the holistic approach to budgeting that the normal budget process was designed to protect.

The requirement for these lists also undermines civilian control over the Pentagon budget by sidestepping the Pentagon's civilian leaders, undercutting a fundamental principle of our Democracy.

Last year, both Defense Secretary Lloyd Austin and Pentagon Comptroller Mike McCord offered their support for repealing the requirement for UPLs.² In a letter to Sen. Elizabeth Warren (D-MA), McCord wrote, "The current statutory practice of having multiple individual senior leaders submit priorities for additional funding absent the benefit of weighing costs and benefits across the department is not an effective way to illuminate our top joint priorities."³ This year, the Pentagon reiterated its support for repealing the requirement.⁴

¹ A bipartisan group of lawmakers submitted an amendment to repeal the statutory requirement for UPLs. <u>https://amendments-rules.house.gov/amendments/JAYAPA_042_xml240531124145284.pdf</u>.

² Connor Echols, "SecDef Austin calls on Congress to end wasteful 'wish list' gimmick," Responsible Statecraft, March 28, 2023, <u>https://responsiblestatecraft.org/2023/03/28/secdef-austin-calls-on-congressto-end-wasteful-wish-list-gimmick/</u>.

³ John M. Donnelly, "Pentagon comes out against law requiring military wish lists," Roll Call, March 28, 2023, <u>https://rollcall.com/2023/03/28/pentagon-comes-out-against-law-requiring-military-wishlists/?ref=com.devaary.cqrc.rollcall.v01</u>.

⁴ Tony Bertuca, "OSD still wants Congress to repeal law requiring unfunded priorities lists, despite \$30B military request," Inside Defense, April 18, 2024, <u>https://insidedefense.com/daily-news/osd-still-wants-congress-repeal-law-requiring-unfunded-priorities-lists-despite-30b</u>.

We wholeheartedly agree. Requiring the military to submit unfunded wish lists only exacerbates the department's existing financial mismanagement issues, particularly given the growing size and scope of these wish lists. The combined cost of these lists is over \$30 billion, up about 67 percent from last year.⁵ INDOPACOM's FY25 list alone is over \$11 billion, up 217 percent from last year.

Moreover, lawmakers are funding items on these lists at the expense of actual priorities included in the budget, and against the wishes of the military service leaders who submitted these requests. For example, Army Chief of Staff General Randy George specifically requested in his unfunded priority list "that these unfunded priorities not displace anything on the Army's FY25 PB [President's Budget] request."⁶ Yet, the House NDAA authorizes funding for some of the Army's unfunded requests while making substantial cuts to the Army's Procurement, Research, Development, Test and Evaluation (RDT&E), and Operation and Maintenance accounts.⁷

Congress should repeal the requirement for Pentagon wish lists, which undermines the budgetary process and generally serves to increase an already ballooning military budget. In years when Pentagon spending is capped, these lists come at the expense of actual priorities included in the budget request. Repealing the requirement would still allow the military services and combatant commands to submit UPLs at their discretion, as they often did before the requirement, but it would help ensure that UPLs are limited to requests they view as truly necessary.

The undersigned organizations have consistently advocated for a fiscally responsible approach to military spending in light of the dire state of the nation's finances. The Congressional Budget Office predicts that the cost of interest payments on the national debt will surpass military spending this year.⁸ Continuing to require unfunded wish lists from the military is a recipe for deepening this fiscal crisis, ultimately at the expense of national security.

National security spending should reflect a holistic assessment of needs, and the Pentagon agrees that unfunded priority lists are not helpful in meeting the military's

https://thehill.com/opinion/congress-blog/4697854-pentagon-budgeting-shouldnt-look-like-this/.

⁵ Ibid.

 ⁶ Randy George, "Letter to House Armed Services Committee Chairman Mike Rogers," March 2024, <u>https://www.taxpayer.net/wp-content/uploads/2024/03/fy25-army-unfunded-priorities-letter.pdf</u>.
⁷ Gabe Murphy, "Pentagon budgeting shouldn't look like this," The Hill, June 1, 2024,

⁸ Avik Roy, "CBO: Federal Interest Payments Now Exceed Defense Spending," Forbes, Feb. 7, 2024, <u>https://www.forbes.com/sites/theapothecary/2024/02/07/cbo-federal-interest-payments-now-exceed-defense-spending/</u>.

priorities. Therefore, we ask that you allow a debate and vote on the amendment to repeal the requirement.

Sincerely,

National Taxpayers Union Project on Government Oversight R Street Taxpayers for Common Sense Taxpayers Protection Alliance