

Return to State of the Union Report

The Military Budget

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Section 1 Top 35 Countries with Lowest Per Capita Military Budget

Rank	Country	Lowest Per Capita Military Budget (USD)
1	DR Congo	\$6
2	Madagasikara (Madagascar)	\$6
3	تشاد Tchad (Chad)	\$6
4	Burundi	\$6
5	नेपाल (Nepal)	\$7
6	Burkina Faso	\$7
7	Niger	\$7
8	Malawi	\$7
9	ኢትዮጵያ Ityop'iya (Ethiopia)	\$8
10	Moçambique (Mozambique)	\$8
11	Mali	\$8
12	Tanzania	\$9
13	السودان As-Sudan (Sudan)	\$9
14	Sénégal (Senegal)	\$9
15	বাংলাদেশ (Bangladesh)	\$10
16	Laos	\$10
17	Uganda	\$11
18	Nicaragua	\$11
19	Zambia	\$11
20	မြန်မာ Myanmar (Myanmar)	\$12
21	Honduras	\$12
22	Rwanda	\$12
23	Zimbabwe	\$12
24	កម្ពុជា Kampuchea (Cambodia)	\$13
25	Guatemala	\$13
26	Cameroun (Cameroon)	\$13

Rank	Country	Lowest Per Capita Military Budget (USD)
27	Kenya	\$14
28	Paraguay	\$14
29	Ivory Coast	\$14
30	ශ්‍රී ලංකා (Sri Lanka)	\$15
31	Ghana	\$15
32	Bolivia	\$16
33	Perú	\$18
34	Pilipinas (Philippines)	\$19
35	Indonesia	\$20
—	United States	~\$2,300

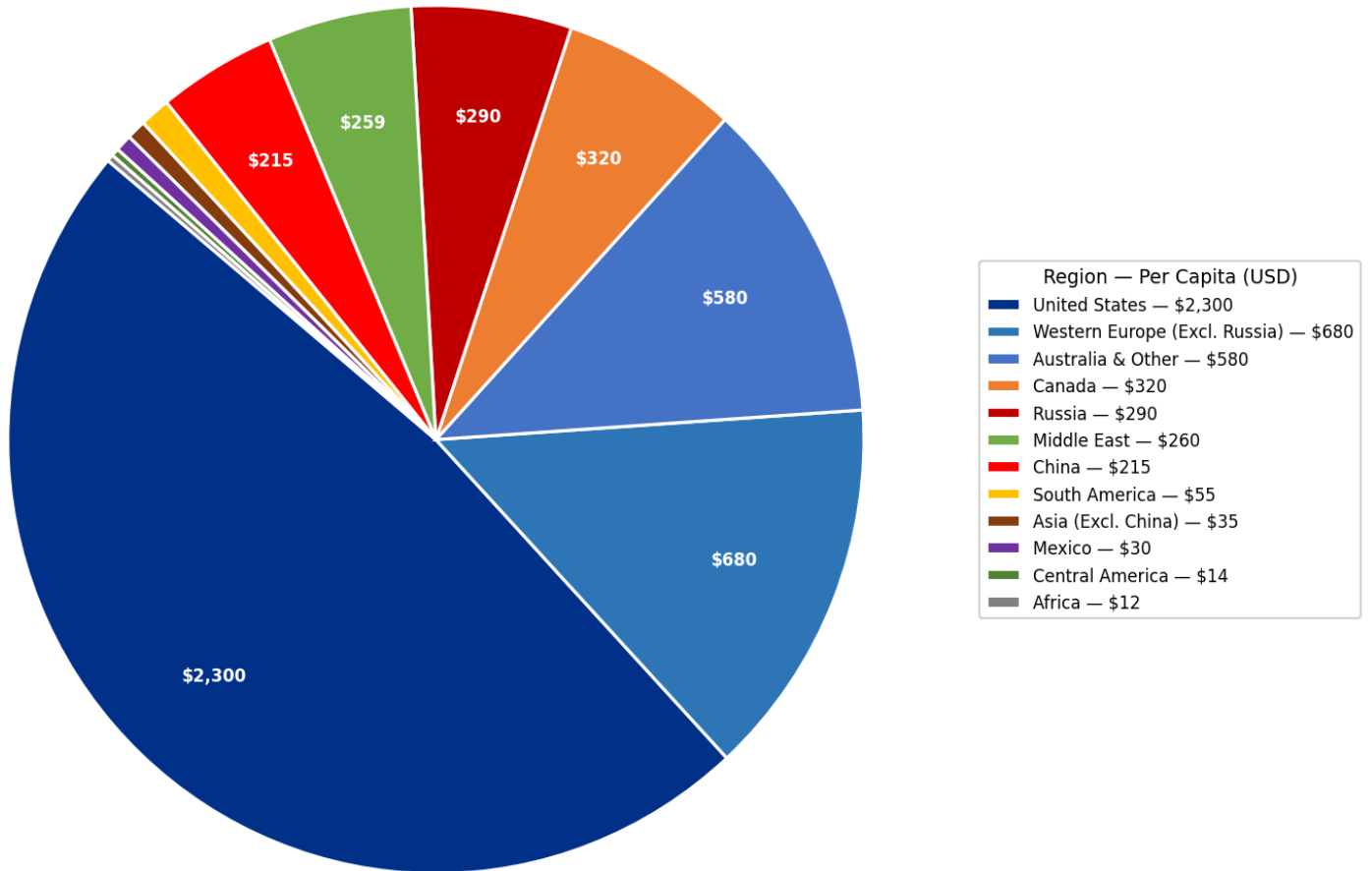
Source year of compiled data reference: 2023 based on international defense expenditure comparisons.

The United States does not appear on this list because its per-capita military spending is among the highest globally. In 2023 the United States spent roughly \$2,300 per person on defense due to global force deployment, nuclear deterrence, research and development of advanced weapons systems, global military bases, intelligence operations, and treaty obligations with allied nations.

References for Section 1 data sources:

- Stockholm International Peace Research Institute <https://www.sipri.org>
- World Bank Defense Expenditure Data <https://www.worldbank.org>
- Gallup Global Security Surveys <https://www.gallup.com>

Per Capita Military Budget by World Region (USD, 2023 Estimates)



Section 2. What Other Countries Have Done to Lower the Per Capita Military Budget

Nippon (Japan)

Nippon has historically limited military spending through Article 9 of its constitution which renounces war and limits the size and scope of military forces.

The Ministry of Defense (<https://www.mod.go.jp>) focuses spending on defensive capabilities rather than power projection systems.

Nippon also relies heavily on collective security through the U.S.-Nippon security treaty which allows burden sharing for regional defense.

Budget discipline laws adopted by the Japanese Diet require detailed annual defense audits, and procurement reforms have reduced weapons program duplication.

Deutschland (Germany)

Deutschland reduced defense spending after reunification by restructuring the Bundeswehr and consolidating military bases.

The Federal Ministry of Defense (<https://www.bmvg.de>) implemented procurement oversight reforms and created multi-year planning frameworks to reduce unnecessary weapons programs.

Deutschland also participates heavily in NATO cooperative procurement programs allowing shared development costs.

Canada

Canada introduced defense review commissions to evaluate procurement programs and eliminate redundant weapons systems.

The Department of National Defense (<https://www.canada.ca/en/department-national-defence.html>) manages long-term procurement planning and emphasizes peacekeeping missions which require lower levels of heavy equipment investment.

Sverige (Sweden)

Sverige reduced military spending after the Cold War by transitioning to a smaller professional military force and closing several large military bases.

The Sverige Armed Forces (<https://www.forsvarsmakten.se>) implemented efficiency programs in logistics, training, and equipment procurement.

Norge (Norway)

Norge uses long-term defense planning frameworks overseen by the Norge Ministry of Defense (<https://www.regjeringen.no>).

The government evaluates military modernization programs using cost-benefit analysis and collaborates with NATO partners for joint procurement.

Nederland (Netherlands)

The Nederland consolidated multiple military bases and centralized procurement through the Ministry of Defense (<https://www.defensie.nl>).

Joint logistics and equipment procurement with NATO allies lowered national spending requirements.

New Zealand

New Zealand restructured its military to focus primarily on maritime surveillance and peacekeeping operations.

The Ministry of Defense (<https://www.defence.govt.nz>) eliminated several heavy weapons programs and shifted funding toward humanitarian and disaster response missions.

Suomi (Finland)

Suomi controls spending by maintaining a reserve-based defense structure.

The Suomi Defense Forces (<https://puolustusvoimat.fi>) emphasize mobilization readiness rather than maintaining a large full-time military force which lowers per capita expenditures.

Section 3 What the U.S. Can Do to Reduce the Military Budget

The United States could reduce military expenditures through a combination of procurement reform, strategic reassessment, and improved financial oversight.

Key federal agencies including the Department of Defense, Office of Management and Budget, Congressional Budget Office, Government Accountability Office, and Department of State would coordinate the effort.

Possible strategies include:

1. Eliminating redundant weapons systems that duplicate capabilities across military branches.
2. Expanding international burden sharing with NATO and allied nations.
3. Closing underutilized overseas bases and domestic installations.
4. Reforming defense procurement contracts to prevent cost overruns.
5. Increasing Congressional oversight of major weapons development programs.
6. Expanding diplomatic conflict-prevention programs to reduce the need for military deployment.
7. Increasing transparency requirements for defense contractors.
8. Shifting certain national security responsibilities to allied security coalitions.
9. Improving auditing and financial accountability within the Department of Defense.
10. Redirecting portions of the defense budget toward cybersecurity and non-kinetic security programs which are less costly than traditional military hardware.

Section 3. What the United States Can Do to Reduce the Military Budget and Improve Efficiency

Reducing United States military expenditures while preserving national security requires coordinated action across every level of government, the private sector, civil society, and individual citizens. The following describes in detail what each category of stakeholder can do to achieve meaningful, sustainable reductions and improve the efficiency of defense spending.

Part I. Government Agencies

Department of Defense (DoD)

The Department of Defense is the single largest driver of military expenditures and holds the greatest potential for internal reform. The DoD can take the following specific actions:

- **Pass and sustain a full financial audit.** The DoD has attempted annual audits since 2018 and has failed every one. Achieving a clean audit opinion requires standardizing financial systems across all military branches and agencies, retiring outdated legacy accounting platforms that cannot communicate with modern systems, training financial management personnel to consistent standards, and establishing a unified general ledger that captures every obligation and expenditure in real time.

Passing the audit would eliminate hundreds of billions of dollars in untracked assets and expenditures and identify duplicate payments, phantom contracts, and ghost employees. The DoD's own Inspector General estimates that audit failures conceal chronic overpayments to contractors and persistent inventory losses that, if corrected, could produce savings in the range of \$50–\$125 billion annually.

- **Conduct zero-based program reviews.** Rather than carrying forward prior-year budgets with incremental adjustments, the DoD should periodically require every major program to justify its continued existence from a zero baseline, demonstrating that the capability it provides cannot be met by an existing system or a less expensive alternative. Zero-based reviews have historically exposed programs that persist solely through contractor lobbying and congressional parochialism rather than validated military requirements.
- **Eliminate cross-service duplication.** The Army, Navy, Air Force, Marine Corps, and Space Force each maintain parallel structures for intelligence, logistics, training, aircraft maintenance, ground vehicle fleets, and information technology. Consolidating these functions into joint service commands or shared service centers—as the Government Accountability Office has repeatedly recommended—could eliminate tens of thousands of duplicative administrative positions and reduce overhead by an estimated \$15–\$30 billion per year without reducing combat capability.
- **Reform weapon system acquisition timelines.** The average major defense acquisition program currently takes 15–20 years from concept to initial operational capability. Compressing development timelines through modular open-systems architecture, incremental capability delivery, and rapid prototyping reduces the risk of cost overruns and technological obsolescence.

Programs that are already obsolete before they reach operational status should be restructured or cancelled. The F-35 program, the Littoral Combat Ship, and the Future Combat Systems program are cautionary examples of cost overruns driven by unstable requirements and inadequate early testing.

- **Reduce the DoD civilian and contractor workforce ratio.** The ratio of contractors to uniformed military personnel has grown dramatically since the 1990s. The DoD employs approximately 750,000 civilian personnel and spends an estimated \$400+ billion annually on service contracts.
An insource review—identifying functions performed by contractors that could be performed at lower cost by civil servants with appropriate training—is projected by the Government Accountability Office to save \$6–\$44 billion per year depending on scope.
- **Implement enterprise resource planning and logistics modernization.** The DoD maintains vast warehouses of excess spare parts, outdated equipment, and unused inventory valued in the hundreds of billions of dollars.
Deploying modern inventory management systems and predictive maintenance technology would reduce unnecessary procurement, minimize waste, and allow the military to purchase only what it needs when it needs it.
The Defense Logistics Agency has estimated that improved inventory visibility alone could reduce annual spare parts procurement by \$10–\$20 billion.
- **Close or consolidate underutilized domestic installations.** The DoD acknowledges roughly 19–22 percent excess domestic basing capacity. Previous Base Realignment and Closure (BRAC) rounds generated savings of approximately \$12 billion annually. Authorizing a new BRAC round with updated criteria—and ensuring it is insulated from congressional earmarking—would generate substantial recurring savings while reducing the environmental and operational costs of maintaining unnecessary infrastructure.

Government Accountability Office (GAO)

- **Expand the High Risk List.** The GAO’s High Risk List currently includes DoD financial management, contract management, and business systems modernization. GAO should broaden the list to capture specific weapon programs with documented cost growth above 25 percent, and should issue mandatory corrective action plans with binding timelines that trigger automatic program reviews if not met.
- **Issue annual duplication reports with legislative referrals.** GAO’s Annual Duplication, Overlap, and Fragmentation Report has identified over \$600 billion in potential savings opportunities across the federal government since 2011, yet implementation rates remain low. GAO should escalate unimplemented defense recommendations to formal legislative proposals and work with the Congressional Budget Office to attach specific dollar savings estimates to each proposal, creating accountability for congressional inaction.
- **Conduct unsolicited technology assessments.** GAO should proactively assess emerging commercial technologies—including autonomous logistics, commercial satellite imagery, and artificial intelligence for maintenance prediction—and publish findings on how the DoD could substitute these lower-cost commercial alternatives for expensive proprietary military programs, reducing per-capability costs while maintaining operational effectiveness.

Office of Management and Budget (OMB)

- **Set binding multi-year defense spending caps tied to efficiency milestones.** OMB should incorporate defense spending reduction targets into the President’s budget proposals by establishing a five-year framework in which DoD spending growth is limited to inflation minus a mandated 1–2 percent efficiency dividend each year.

The efficiency dividend would not reduce overall capability spending but would require the DoD to extract that saving from overhead, redundancy, and administrative waste before the remainder of its budget is made available.

- **Require cost-benefit analysis for all major defense programs.** OMB Circular A-94 applies cost-benefit analysis requirements to most federal programs but has historically been waived for national security programs. OMB should issue updated guidance requiring that any new defense program with a projected lifecycle cost above \$1 billion undergo a rigorous, publicly available cost-benefit analysis that includes alternative solutions, comparative international costs, and sensitivity analysis for cost overrun scenarios.

Congressional Budget Office (CBO)

- **Publish independent program cost estimates before authorization votes.** CBO should routinely prepare independent cost estimates for all major defense authorization legislation and acquisition program starts, publishing these estimates prominently before floor votes. CBO's independent estimates for programs such as the Virginia-class submarine and the B-21 bomber have historically differed from DoD estimates by 20–40 percent, and making those differences visible before authorization would allow Congress to make more informed decisions.
- **Model alternative national security investment strategies.** CBO should publish alternative defense posture scenarios—for example, modeling the fiscal and security implications of a 10 percent, 15 percent, or 20 percent reduction in the overall defense budget achieved through specific procurement cuts and force structure changes—so that Congress and the public can evaluate tradeoffs in an evidence-based way rather than relying solely on DoD advocacy.

Department of State and U.S. Agency for International Development (USAID)

- **Increase conflict prevention and stabilization investment.** Military deployments cost between \$1 million and \$4 million per servicemember per year in active combat zones. Robust diplomatic engagement, conflict prevention programming, and development assistance are far less expensive alternatives.

The RAND Corporation has estimated that every \$1 invested in conflict prevention saves approximately \$16 in subsequent military and humanitarian response costs. Redirecting even a modest portion of avoided military deployment costs toward State Department conflict prevention programs can produce extraordinary long-term savings.
- **Lead multilateral arms control and burden-sharing negotiations.** The State Department should proactively negotiate updated burden-sharing agreements with all NATO allies and Indo-Pacific partners, regional security frameworks that shift patrol and deterrence responsibilities to host-nation forces, and arms control agreements that limit the costly arms race dynamics that force the United States to continuously upgrade weapons systems in response to adversary developments. Each successful arms control agreement reduces the requirements that drive defense acquisition, generating savings across multiple weapons programs simultaneously.

Defense Contract Audit Agency (DCAA) and Defense Contract Management Agency (DCMA)

- **Dramatically increase audit coverage and recovery rates.** DCAA currently audits less than 5 percent of all defense contracts by dollar value, despite documented evidence of widespread overcharging.
Each dollar invested in DCAA audit capacity historically returns \$6–\$8 in recovered funds. Congress should double DCAA staffing and require full audit coverage of all cost-reimbursement contracts above \$10 million.
- **Strengthen contract performance monitoring and termination procedures.** DCMA should implement standardized earned value management monitoring for all major programs, issue cure notices immediately upon detecting schedule or cost variance above defined thresholds, and provide the Secretary of Defense with quarterly program performance dashboards that enable early intervention before cost overruns become irreversible.
Terminating a failing program early is almost always less expensive than completing it, yet current incentive structures discourage early termination decisions.

Part II. Government Officials

The President and the National Security Council

- **Issue a National Defense Strategy that explicitly prioritizes efficiency.** The National Defense Strategy, issued every four years, sets the requirements that drive all defense procurement. A President committed to budget efficiency should issue a strategy that identifies specific threat tiers, assigns proportional resources to each tier, and explicitly directs the DoD to pursue the least-cost solution to each strategic requirement rather than the most capable possible solution.
This single document shapes every major acquisition decision for a four-year period and is the highest leverage tool available to the executive branch.
- **Appoint reform-minded leadership in acquisition and financial management positions.** The Under Secretary of Defense for Acquisition and Sustainment, the Under Secretary of Defense (Comptroller), and the service acquisition executives are responsible for the vast majority of defense spending decisions.
Appointing individuals with demonstrated records of procurement reform, independent of the defense industry, to these positions is among the most impactful personnel decisions a President can make. Historical analysis shows that acquisition-focused leadership directly correlates with reduced program cost growth.
- **Use executive orders and presidential directives to mandate efficiency benchmarks.** The President can direct, through executive order, that every cabinet-level official with defense spending authority submit an annual efficiency plan identifying 3–5 percent savings achievable through administrative reform, reduced overhead, or program consolidation.
These plans should be reviewed by OMB, scored by CBO, and published publicly to create accountability. Presidents who have used this mechanism—including elements of reform pursued by multiple administrations since the 1990s—have consistently generated measurable savings.

Members of Congress and Congressional Committees

- **Refuse to fund weapons systems the military does not request.** Congress repeatedly appropriates funds for weapons systems and military installations that the DoD itself has not requested—a practice driven by parochial economic interests in members’ districts.

The Senate Armed Services Committee and House Armed Services Committee should implement a standing rule that no member may add funding for a program that was not requested in the President’s budget submission without a full committee vote and a written military necessity justification from the Chairman of the Joint Chiefs. This single reform would eliminate billions of dollars in unrequested spending annually.

- **Strengthen the use of independent cost estimates before authorization.** Congress should enact legislation requiring that every authorization or appropriation for a new major defense acquisition program be accompanied by a CBO independent cost estimate as a condition of floor consideration.

The statutory requirement should also mandate that the authorizing committees publish a written explanation when they authorize a program at a cost higher than the CBO independent estimate.

- **Create a joint select committee on defense efficiency.** A bipartisan Joint Select Committee on Defense Efficiency, drawn from both chambers and both Armed Services and Budget Committees, could be chartered specifically to identify and fast-track legislation eliminating duplicative programs, underutilized installations, and inefficient contracting practices. By removing these issues from the full appropriations process—where parochial interests tend to dominate—a joint select committee with expedited floor procedures could move reform legislation more quickly and effectively than the regular order.
- **Enforce budget caps and resist supplemental appropriations for ongoing operations.** The Overseas Contingency Operations (OCO) fund—now rebranded as the “Contingency Reserve Fund” in some budget proposals—has historically been used as a slush fund to supplement base defense spending outside the constraints of the Budget Control Act caps. Congress should insist that all recurring defense programs be funded in the base budget, subject to cap enforcement, and that emergency supplemental requests be limited to genuinely unforeseen contingencies with detailed cost justifications and sunset provisions.
- **Hold confirmation hearings focused on acquisition reform credentials.** Senate Armed Services Committee confirmation hearings for the Secretary of Defense, service secretaries, and acquisition undersecretaries should explicitly require nominees to articulate their specific plans for reducing program cost growth, improving audit outcomes, and eliminating duplicative programs. Nominees who cannot answer these questions with specificity should face skeptical confirmation votes, creating an incentive for the executive branch to nominate acquisition-reform-oriented candidates.

The Secretary of Defense and Service Secretaries

- **Tie senior officer promotions to program management performance.** Currently, military officers assigned to major program offices face no promotion penalty for programs that go over budget or fall behind schedule on their watch.

The Secretary of Defense should direct the service secretaries to incorporate program cost and schedule performance into promotion board criteria for general and flag officers who

serve as program executive officers and program managers. This single cultural change would realign incentives throughout the acquisition workforce.

- **Publish and enforce annual efficiency scorecards for every major command.** The Secretary should require each combatant command and military department to publish an annual efficiency scorecard measuring overhead cost ratios, administrative-to-operational personnel ratios, and program cost growth metrics, with explicit benchmarks against allied militaries and prior-year performance. Publicly available scorecards create competitive pressure among commands and give congressional overseers a consistent, standardized basis for comparison.

Part III. Corporations and Organizations Interested in Reducing the Military Budget

Defense Contractors Committed to Efficiency and Reform

Not all defense corporations profit from inefficiency. Contractors who compete on price and performance rather than lobbying influence have a direct financial interest in a procurement system that is transparent, competitive, and governed by objective criteria. Such corporations can take the following actions:

- **Voluntarily adopt fixed-price contracting for mature technologies.** Companies that have mastered the production of a given system can demonstrate their efficiency and competitive advantage by bidding fixed-price contracts rather than insisting on cost-plus arrangements. SpaceX's successful use of fixed-price contracts for launch services at a fraction of the cost of legacy providers demonstrates the potential savings from this approach. Defense primes that adopt this model create competitive pressure on competitors who rely on cost-plus padding.
- **Support open architecture and interoperability standards.** Contractors who build proprietary, closed systems lock the government into sole-source follow-on contracts for upgrades, spare parts, and maintenance indefinitely. Companies that instead adopt open architecture standards—allowing competing suppliers to develop compatible components and upgrades—reduce long-term government costs and create a sustainable competitive market. The DoD's Modular Open Systems Approach initiative attempts to mandate this, but contractor compliance depends heavily on corporate culture and board-level commitment to principles of interoperability.
- **Reduce lobbying expenditures and revolving-door hiring.** The five largest defense contractors collectively spend over \$60 million per year in direct lobbying expenditures and employ hundreds of former military officers and DoD officials in senior roles—a practice that distorts procurement decisions in favor of established relationships rather than merit. Companies that voluntarily restrict revolving-door hiring and redirect lobbying budgets toward research and development investment signal a commitment to competing on capability rather than political influence.
- **Participate in DoD rapid prototyping and other transaction authority programs.** The Other Transaction Authority (OTA) allows the DoD to contract for prototype development outside the standard Federal Acquisition Regulation, enabling faster and cheaper early-stage development. Companies that actively participate in OTA programs, bring commercial technology solutions into defense applications, and demonstrate the value of commercial-off-the-shelf approaches help shift the defense acquisition system away from expensive custom development and toward leveraging the commercial technology base.

Non-Defense Technology Corporations

- **Enter the defense market as new competitive entrants.** Companies such as SpaceX (Starlink and launch services), Palantir (data analytics), Anduril (autonomous systems), and Shield AI (autonomous aviation) have disrupted segments of the defense market by introducing commercially developed technology at dramatically lower cost than traditional defense primes.

Expanding this competitive entry—particularly in logistics, intelligence, maintenance, cybersecurity, and unmanned systems—breaks the monopoly pricing power of legacy contractors and drives down per-unit costs across the board.

- **Offer commercial satellite, cloud, and AI services to reduce DoD infrastructure costs.** The DoD spends enormous sums on proprietary satellite communications, classified data centers, and bespoke information technology systems that commercial companies provide at a fraction of the cost for civilian customers.

Technology corporations that structure commercial offerings compatible with federal security requirements—through FedRAMP certification, Impact Level 5 cloud environments, and commercial satellite services—reduce the need for expensive military-unique infrastructure and give the DoD access to continuously updated commercial technology rather than systems that become obsolete before deployment.

Think Tanks, Research Institutes, and Policy Organizations

- **Publish independent program cost and performance analyses.** Organizations such as the Project On Government Oversight (POGO), the Center for Strategic and Budgetary Assessments (CSBA), the Stimson Center, the Cato Institute, and the Center for Defense Information provide independent analysis of defense programs that is not filtered through DoD or contractor public affairs offices.

These organizations can publish detailed program-by-program analyses identifying cost overruns, performance failures, and alternative approaches, creating an evidence base that journalists, members of Congress, and the public can use to challenge wasteful programs.

- **Train the next generation of defense budget reform professionals.** Universities and policy institutes that offer graduate programs in defense economics, acquisition management, and national security budgeting produce the professionals who staff the GAO, OMB, CBO, and congressional staff offices.

Expanding fellowship programs, internships, and graduate training pipelines specifically in defense financial management creates a larger talent pool capable of providing effective oversight and driving reform from within government institutions.

- **Develop and promote model legislation and international comparisons.** Policy organizations can draft model legislation for procurement reform, burden-sharing requirements, and audit mandates that can be introduced by reform-minded members of Congress, and can publish comparative analyses showing how allied democracies with smaller but effective military forces—particularly Deutschland, Nippon, Australia, and Canada—have achieved similar deterrence outcomes at substantially lower per capita cost, providing policymakers with evidence that the current level of U.S. military spending is not an inevitable requirement.

Business Associations and Chambers of Commerce

- **Advocate for fiscal sustainability as a national security asset.** Business organizations such as the Business Roundtable, the U.S. Chamber of Commerce, the Committee for a Responsible Federal Budget, and the Peter G. Peterson Foundation have significant influence in fiscal policy discussions.

These organizations can frame defense spending reform as an economic and fiscal competitiveness issue—arguing that the federal debt created in part by unreformed defense spending represents a long-term threat to the economic foundation that ultimately funds national security—thereby broadening the political coalition for reform beyond traditional dovish constituencies.

- **Support small and mid-size business access to defense contracting.** Concentration among the top five defense contractors—Lockheed Martin, Raytheon Technologies, Boeing, Northrop Grumman, and General Dynamics—reduces competitive pressure and contributes to rising costs. Business associations can advocate for simplified contracting pathways for small and mid-size companies, reduced compliance burdens that currently make DoD contracting uneconomical for smaller firms, and set-aside programs that bring innovative non-traditional vendors into defense markets. Broader market participation drives price competition and brings commercial technology innovations into the defense supply chain.

Part IV. Private Individuals and the General Public

Informed Voters and Constituents

- **Learn and understand the federal budget.** Public polling consistently shows that Americans significantly underestimate the proportion of the federal discretionary budget consumed by military spending—many surveys show that voters believe defense consumes roughly 10–20 percent of total federal spending when it actually represents more than half of all discretionary spending. Citizens who understand the actual scale of military spending relative to other priorities—using publicly available tools such as the National Priorities Project’s federal budget calculator, the Peter G. Peterson Foundation’s budget explainer, or the CBO’s Budget and Economic Outlook—are far more likely to support and demand reform from their elected representatives.
- **Contact elected representatives directly and specifically.** Congressional offices track constituent contact, and members of Congress from swing districts are particularly responsive to constituent pressure on spending issues. Citizens who contact their Senators and Representatives—by phone, written letter, or in-person town hall meetings rather than online petitions, which carry far less political weight—specifically requesting support for named reform legislation such as audit mandates, BRAC authorization, or competitive procurement requirements generate genuine political pressure for action. A coordinated constituent contact campaign around a specific vote or markup is more effective than general calls for “cutting waste.”
- **Support and vote for candidates who prioritize defense efficiency.** Electoral accountability is the most powerful tool available to citizens. Voters can prioritize candidates for Congress and the presidency who have specific, detailed platforms for defense procurement reform rather than candidates who offer only vague rhetoric about “cutting wasteful spending” or “maintaining a strong military.” Organizations such as the National Security Action Network and various veterans’ reform groups publish legislative scorecards rating members

of Congress on their defense oversight and efficiency records, which voters can use to evaluate candidates.

- **Attend and participate in public comment processes.** Federal agencies that issue rules implementing procurement, contracting, and financial management policies are required by the Administrative Procedure Act to publish proposed rules for public comment. Citizens, particularly those with professional expertise in relevant areas, can submit substantive public comments that are legally required to be considered by the agency and that can be cited in litigation challenging rules that fail to address significant public concerns. Public comment submission requires no political connection and is open to all citizens.

Veterans, Former Military Officers, and Defense Professionals

- **Speak and write publicly about waste observed during service.** Veterans and former military professionals carry unique credibility when they describe the waste, mismanagement, and inefficiency they personally observed during their service. Memoirs, congressional testimony, op-eds, podcast appearances, and social media commentary from credible former insiders shape public and congressional opinion more powerfully than abstract statistics.

Organizations such as the Eisenhower Media Network and the Common Defense campaign specifically support veterans who wish to advocate publicly for defense reform.

- **Serve on advisory boards and defense reform commissions.** The DoD, GAO, and congressional committees regularly appoint advisory boards to review acquisition policy, financial management, and force structure. Former military officers and defense industry professionals who apply for and serve on these panels—bringing their firsthand knowledge to bear—directly influence policy recommendations. The Defense Business Board, the Defense Science Board, and service-specific advisory panels all include positions for reform-oriented individuals willing to challenge institutional inertia.
- **File whistleblower reports and False Claims Act cases.** Current and former military and civilian personnel who have direct knowledge of fraudulent billing, false claims, or deliberate misrepresentation by defense contractors have the right and, under some circumstances, the legal obligation to report these violations.

The False Claims Act's qui tam provisions allow private individuals to file suits on behalf of the United States and receive 15–30 percent of any damages recovered. FCA cases have recovered more than \$4 billion from defense contractors in recent years. Every recovery both returns money to the Treasury and creates a deterrent effect on future fraud.

Journalists, Researchers, and Academics

- **File Freedom of Information Act requests for contract and spending data.** Investigative journalists and academic researchers can use FOIA requests to obtain detailed contract data, audit findings, Inspector General reports, and internal program reviews that the DoD does not proactively publish.

The investigative reporting organizations ProPublica, the Center for Public Integrity, and the Washington Post's investigative team have used FOIA-obtained documents to expose billions in defense contract fraud and mismanagement, creating public and political pressure for reform that would not have been generated by any other mechanism.

- **Analyze publicly available contract and spending data.** USASpending.gov, SAM.gov, and the Federal Procurement Data System provide detailed, publicly accessible data on every federal contract award, modification, and termination.

Researchers with data analysis skills can mine these databases to identify patterns of sole-source contracting, serial cost overruns by specific contractors, geographic concentration of defense spending, and anomalous contract structures that may indicate fraud or inefficiency—creating the evidentiary foundation for reform proposals and investigative journalism.

- **Conduct and publish comparative international defense economics research.** Academic economists and security studies scholars can publish peer-reviewed analyses comparing the cost-effectiveness of U.S. military spending relative to allied nations, examining the relationship between defense spending levels and measurable security outcomes, and modeling the macroeconomic effects of defense spending reductions on employment, innovation, and long-term growth.

Rigorous academic research that challenges the assumption that higher defense spending automatically produces better security outcomes provides the intellectual foundation for political reform.

Investors and Institutional Shareholders

- **File shareholder resolutions requiring defense contractor transparency.** Institutional investors including pension funds, endowments, and ESG-focused asset managers hold significant ownership positions in publicly traded defense contractors.

Shareholder resolutions requiring detailed disclosure of lobbying expenditures, revolving-door hiring practices, false claims litigation history, and cost overrun records have been successfully used in other industries to shift corporate behavior. Applying this mechanism to defense contractors would force greater transparency and create reputational and financial pressure on boards of directors to adopt ethical contracting practices.

- **Prioritize investment in innovative commercial defense entrants over legacy primes.** Venture capital, private equity, and public market investors who direct capital toward disruptive commercial-technology companies entering the defense market—rather than exclusively toward legacy defense primes that depend on sole-source contracting—accelerate the competitive transformation of the defense industry.

As companies like Anduril, Shield AI, and Sarcos Robotics attract defense investment, they create viable alternatives that increase DoD’s competitive options and drive down costs across weapons and logistics categories.

Summary: A Whole-of-Society Approach

Reducing the United States military budget in a responsible, sustained, and politically durable way requires simultaneous action across all of these stakeholder categories. No single actor—however powerful—can reform an institution as large, as politically entrenched, and as economically embedded as the American defense establishment acting alone. Government agencies must improve financial management and audit performance.

Congress must resist parochial pressure and exercise genuine oversight.

Corporations must compete on merit rather than political influence.

Civil society organizations must inform the public and generate political will. And individual citizens must make their voices heard at the ballot box, in public comment processes, and in direct contact with their elected representatives.

When these forces align, as they did during the procurement reforms of the late 1980s and the BRAC closures of the 1990s, genuine and lasting reform becomes possible.

Section 4. References

Stockholm International Peace Research Institute <https://www.sipri.org>

U.S. Department of Defense <https://www.defense.gov>

Congressional Budget Office <https://www.cbo.gov>

Government Accountability Office <https://www.gao.gov>

NATO Defense Expenditure Reports <https://www.nato.int>

World Bank Military Expenditure Database <https://www.worldbank.org>

Section 5 Draft of a House Bill

H.R. _____
119th CONGRESS
1st Session

IN THE HOUSE OF REPRESENTATIVES

_____, 2025

Mr./Ms. _____ (for themselves and _____ other Members) introduced the following bill; which was referred to the Committee on Armed Services, and in addition to the Committees on the Budget and Oversight and Accountability, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL

To responsibly reduce United States military expenditures through procurement reform, enhanced congressional oversight, improved financial accountability, expanded burden-sharing with allied nations, and strategic reallocation of national security resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—GENERAL PROVISIONS

SEC. 101. SHORT TITLE.

This Act may be cited as the “**Defense Expenditure Accountability and Reform Act of 2025**” or the “**DEAR Act of 2025**”.

SEC. 102. FINDINGS.

(a) Congress finds the following:

- (1) The United States spent approximately \$858,000,000,000 on national defense in fiscal year 2024, representing approximately 13 percent of total federal outlays and the equivalent of more military spending than the next ten countries combined.
- (2) The Department of Defense has failed six consecutive comprehensive audits since audits were first required by law, indicating that hundreds of billions of dollars in assets and expenditures cannot be fully accounted for or verified.
- (3) The Government Accountability Office has identified numerous major defense acquisition programs experiencing significant cost overruns totaling more than \$628,000,000,000 above original estimates, with schedule delays averaging 30 months per program.
- (4) The United States maintains more than 750 military installations in approximately 80 foreign countries at an estimated annual cost exceeding \$55,000,000,000, and a comprehensive strategic review of these installations has not been conducted within the past decade.
- (5) NATO member nations, treaty allies in the Indo-Pacific, and regional security partners have capacity to assume greater proportional responsibility for collective defense obligations, and

doing so would reduce demands on United States resources while maintaining alliance effectiveness.

- (6) Multiple defense programs operate in duplication across military branches, including redundant tactical aircraft programs, overlapping maritime surveillance systems, and parallel ground vehicle development efforts, contributing to unnecessary expenditure.
- (7) Investment in cybersecurity, space-based intelligence, and non-kinetic conflict-prevention tools offers cost-effective national security benefits relative to legacy weapons platforms and can be scaled to meet evolving threat environments at lower per-unit costs.
- (8) Enhanced congressional oversight, competitive procurement practices, independent auditing, and transparent public reporting can achieve significant cost reductions without compromising national security readiness or the welfare of servicemembers and their families.

SEC. 103. PURPOSE.

(a) The purposes of this Act are to—

- (1) reduce unnecessary military expenditures through comprehensive procurement reform and elimination of duplicative programs;
- (2) strengthen congressional oversight of defense spending and major acquisition programs;
- (3) require full and auditable financial accountability within the Department of Defense;
- (4) promote greater burden-sharing among allied nations to reduce disproportionate United States expenditures;
- (5) realign investment priorities toward next-generation and cost-effective national security capabilities; and
- (6) ensure that savings achieved under this Act are transparently reported to Congress and the public and directed toward deficit reduction and domestic investment priorities.

SEC. 104. DEFINITIONS.

In this Act:

- (1) **APPROPRIATE COMMITTEES OF CONGRESS.**—The term “appropriate committees of Congress” means the Committee on Armed Services, the Committee on Appropriations, and the Committee on the Budget of the Senate and the House of Representatives.
- (2) **DEFENSE CONTRACTOR.**—The term “defense contractor” means any person, firm, corporation, partnership, association, or other legal entity that enters into a contract with the Federal Government, or a subcontract under such a contract, for the development, production, or delivery of goods or services for national defense purposes, receiving annual Federal defense funds in excess of \$1,000,000.
- (3) **DEPARTMENT.**—The term “Department” means the Department of Defense.
- (4) **DUPLICATIVE PROGRAM.**—The term “duplicative program” means any defense acquisition program that provides capabilities substantially equivalent to those provided by one or more other programs within the same or different military branch, as determined by the Comptroller General of the United States.
- (5) **MAJOR DEFENSE ACQUISITION PROGRAM.**—The term “major defense acquisition program” has the meaning given that term in section 4201 of title 10, United States Code.

- (6) **MILITARY INSTALLATION.**—The term “military installation” means a base, camp, post, station, yard, center, or other activity under the jurisdiction of the Secretary of a military department or the Secretary of Defense, located within or outside the United States.
- (7) **SECRETARY.**—The term “Secretary” means the Secretary of Defense, unless otherwise specified.
- (8) **UNDERSECRETARY OF DEFENSE (COMPTROLLER).**—The term “Undersecretary of Defense (Comptroller)” means the official designated under section 135 of title 10, United States Code, responsible for Department financial management.

TITLE II—PROCUREMENT REFORM AND ELIMINATION OF DUPLICATIVE PROGRAMS

SEC. 201. COMPREHENSIVE REVIEW OF MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with the Chairman of the Joint Chiefs of Staff, the Director of the Office of Management and Budget, and the Comptroller General of the United States, shall initiate a comprehensive review of all major defense acquisition programs to—

- (1) identify duplicative programs across military departments and defense agencies;
- (2) assess whether each program fulfills a validated joint military requirement that cannot be met by an existing capability;
- (3) evaluate whether the program is within approved cost parameters and on an approved schedule;
- (4) determine whether the projected unit cost reflects competitive market conditions or sole-source pricing arrangements; and
- (5) recommend cancellation, consolidation, restructuring, or continuation of each program reviewed.

(b) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the appropriate committees of Congress a report containing the results of the review under subsection (a), together with the Secretary’s recommendations and an estimated 10-year cost savings analysis for each recommended action.

(c) GAO REVIEW.—The Comptroller General of the United States shall conduct an independent assessment of the review conducted under subsection (a) and shall submit findings to the appropriate committees of Congress not later than 90 days after the report required by subsection (b) is submitted.

SEC. 202. COMPETITIVE PROCUREMENT REQUIREMENTS.

(a) EXPANSION OF COMPETITIVE CONTRACTING.—Chapter 221 of title 10, United States Code, is amended by adding at the end the following new section: “The Secretary of Defense shall ensure that, for any procurement action exceeding \$100,000,000 in total contract value, full and open competition is conducted to the maximum extent practicable, and that any determination to use other than full and open competition is reviewed and approved by an independent panel established under section 203 of the Defense Expenditure Accountability and Reform Act of 2025.”

(b) PROHIBITION ON COST-PLUS CONTRACTS WITHOUT CONGRESSIONAL NOTIFICATION.—The Secretary shall not award a cost-plus-award-fee or cost-plus-fixed-fee contract for any major defense acquisition program valued at more than \$500,000,000 without providing 30 days advance written notification to the appropriate committees of Congress, including a justification for use of cost-reimbursement pricing and a cost-risk analysis.

(c) COST OVERRUN TRIGGERS.—For any major defense acquisition program in which the program acquisition unit cost increases by 15 percent or more above the program baseline, the Secretary shall—

- (1) notify the appropriate committees of Congress within 45 days;
- (2) submit a remediation plan within 90 days; and
- (3) provide a determination as to whether the program should be restructured, reduced in scope, or terminated, together with a cost-benefit analysis supporting such determination.

SEC. 203. INDEPENDENT DEFENSE PROCUREMENT REVIEW PANEL.

(a) ESTABLISHMENT.—There is established within the Department an Independent Defense Procurement Review Panel (hereinafter in this section referred to as the “Panel”).

(b) COMPOSITION.—The Panel shall consist of 9 members appointed as follows:

- (1) Three members appointed by the Secretary of Defense from among individuals with expertise in defense acquisition, contract law, or systems engineering, who are not current employees of a defense contractor.
- (2) Two members appointed by the Comptroller General of the United States.
- (3) Two members appointed by the Chairman of the Senate Committee on Armed Services and two members appointed by the Chairman of the House Committee on Armed Services.

(c) DUTIES.—The Panel shall—

- (1) review all proposed non-competitive procurement actions for major defense acquisition programs exceeding \$100,000,000;
- (2) review proposed contract modifications that increase total contract value by 20 percent or more;
- (3) publish annual public reports on major acquisition program cost trends and efficiency findings; and (
- 4) refer suspected procurement fraud to the Inspector General of the Department of Defense.

(d) CONFLICTS OF INTEREST.—No member of the Panel may, during the 2 years preceding appointment, have been employed by, served on the board of directors of, or held a financial interest exceeding \$10,000 in any defense contractor subject to review by the Panel. Panel members shall be subject to the conflict-of-interest provisions of chapter 11 of title 18, United States Code.

TITLE III—FINANCIAL ACCOUNTABILITY AND AUDITING REQUIREMENTS

SEC. 301. DEPARTMENT OF DEFENSE FULL FINANCIAL AUDIT MANDATE.

(a) ANNUAL AUDIT REQUIREMENT.—Section 240b of title 10, United States Code, is amended by adding at the end the following: “(c) **REMEDIATION TIMELINE.**—If the Department of Defense receives a qualified or adverse audit opinion for two consecutive fiscal years, the Secretary shall submit to the appropriate committees of Congress, not later than 90 days after the second such opinion is issued, a remediation plan with specific milestones, responsible officials, and projected costs for achieving an unqualified audit opinion not later than 3 fiscal years after the date of the plan.”

(b) BUDGET FREEZE TRIGGER.—If the Department of Defense fails to achieve an unqualified audit opinion for any component within 5 fiscal years after the date of enactment of this Act, the discretionary funding for administrative overhead accounts of that component, excluding pay and allowances of military personnel and contract obligations for ongoing operations, shall not increase in the subsequent fiscal year beyond the rate of inflation as measured by the Consumer Price Index for All Urban Consumers until an unqualified opinion is achieved.

(c) INSPECTOR GENERAL REPORTING.—The Inspector General of the Department of Defense shall submit to the appropriate committees of Congress a semi-annual report on the status of audit remediation efforts, including identification of systemic financial management deficiencies, estimated costs of correction, and progress against prior year remediation milestones.

SEC. 302. DEFENSE CONTRACTOR FINANCIAL DISCLOSURE REQUIREMENTS.

(a) COST STRUCTURE DISCLOSURE. Each defense contractor awarded a contract exceeding \$50,000,000 shall, as a condition of contract award, submit to the contracting officer a fully burdened cost structure disclosure that includes

- (1) a breakdown of direct labor, overhead, material, and subcontractor costs;
- (2) proposed profit margins and the basis for their calculation;
- 3) identification of all cost accounting practices used; and
- (4) a certification by the chief financial officer of the contractor that the disclosure is accurate and complete to the best of the certifying officer’s knowledge.

(b) INDEPENDENT AUDIT OF CONTRACTORS. Each defense contractor receiving cumulative annual Federal defense funds exceeding \$500,000,000 shall retain an independent registered public accounting firm to conduct an annual audit of defense-related contract accounts and shall submit the audit report to the Defense Contract Audit Agency and to the Inspector General of the Department of Defense within 90 days of the close of the contractor’s fiscal year.

(c) REVOLVING DOOR RESTRICTIONS.—An individual who serves as a senior procurement official within the Department, defined as a position at the Senior Executive Service level or above with acquisition decision authority, shall not, for a period of 4 years following separation from such position, be employed by, serve as a director of, or provide compensated consulting services to any defense contractor whose contracts were subject to such official’s decision authority during the preceding 3 years of the official’s Federal service.

TITLE IV—OVERSEAS MILITARY INSTALLATIONS AND ALLIED BURDEN SHARING

SEC. 401. STRATEGIC REVIEW OF OVERSEAS MILITARY INSTALLATIONS.

(a) QUADRENNIAL OVERSEAS BASING REVIEW.—The Secretary, in coordination with the Secretary of State and the Director of National Intelligence, shall conduct a Quadrennial Overseas Basing Review (hereinafter “QOBR”) every 4 years to assess

- (1) the strategic necessity of each overseas military installation;
- (2) the annual fully loaded cost of each installation, including personnel, infrastructure, logistics, and host-nation support agreements;
- (3) the extent to which host nations and regional allies contribute to the cost of installations on or near their territory; and
- (4) options for consolidation, realignment, or closure of overseas installations that are not critical to validated joint operational plans.

(b) FIRST QOBR.—The first QOBR shall be initiated not later than 1 year after the date of enactment of this Act and completed not later than 2 years after such date, with a report submitted to the appropriate committees of Congress and published publicly on the Department’s website in unclassified form, with a classified annex provided separately.

(c) LIMITATION ON NEW OVERSEAS INSTALLATIONS.—No funds may be obligated or expended to establish a new permanent overseas military installation with an estimated annual operating cost exceeding \$50,000,000 unless Congress has specifically authorized and appropriated funds for such installation.

SEC. 402. ENHANCED ALLIED BURDEN SHARING.

(a) BURDEN SHARING NEGOTIATIONS.—The Secretary of State and the Secretary of Defense shall jointly negotiate, or renegotiate, burden-sharing agreements with each allied nation hosting United States military forces to ensure that host-nation contributions cover, at minimum, 50 percent of the non-personnel operating costs of United States installations within that nation’s territory, unless the President certifies to Congress that a lower contribution level is in the national security interest of the United States.

(b) ANNUAL BURDEN SHARING REPORT.—Not later than March 1 of each year, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate committees of Congress a report detailing

- (1) the total cost of United States military presence in each allied nation;
- (2) the dollar value and percentage of total costs covered by each host nation;
- (3) the status of burden-sharing negotiations; and
- (4) recommendations for adjusting United States force posture in nations where host-nation contributions are below agreed targets.

(c) NATO COOPERATIVE PROCUREMENT.—The Secretary of Defense shall actively pursue joint and cooperative defense procurement programs with NATO allies and Indo-Pacific treaty partners with the goal of reducing per-unit acquisition costs by at least 10 percent on qualifying programs through economies of scale, shared development costs, and interoperability investments. The Secretary shall report annually to Congress on progress toward this goal.

TITLE V—CONGRESSIONAL OVERSIGHT AND PUBLIC TRANSPARENCY

SEC. 501. ENHANCED CONGRESSIONAL OVERSIGHT OF DEFENSE SPENDING.

(a) QUARTERLY BRIEFINGS.—The Secretary of Defense and the Under Secretary of Defense (Comptroller) shall provide quarterly briefings to the appropriate committees of Congress on

- (1) the status of all major defense acquisition programs with cost growth exceeding 10 percent above baseline;
- (2) the status of the Department’s financial audit;
- (3) progress on implementation of savings measures required by this Act; and
- (4) any new identified instances of waste, fraud, or abuse exceeding \$10,000,000.

(b) SPENDING TRANSPARENCY PORTAL.—The Secretary, in coordination with the Director of the Office of Management and Budget, shall establish a publicly accessible online portal, to be fully operational not later than 18 months after enactment, through which any citizen may view

- (1) all defense contract awards above \$1,000,000, including contractor name, contract type, purpose, and total value;
- (2) the status of each major defense acquisition program including unit cost, total program cost, and schedule milestones; and
- (3) annual defense audit results by component.

(c) ANNUAL DEFENSE SAVINGS REPORT.—Not later than February 1 of each year following enactment, the Secretary, in coordination with the Director of the Congressional Budget Office and the Comptroller General of the United States, shall submit to Congress and publish publicly a Defense Savings Report quantifying the total budgetary savings achieved through the provisions of this Act during the preceding fiscal year, disaggregated by category of savings.

SEC. 502. DEFENSE WHISTLEBLOWER PROTECTIONS.

(a) PROHIBITION ON RETALIATION.—No Federal employee, contractor employee, or subcontractor employee may be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to the Inspector General of the Department of Defense, to a Member of Congress, to the Comptroller General, or to any designated whistleblower office, information that the employee reasonably believes evidences a violation of law, gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety related to defense procurement or financial management.

(b) REMEDIES.—Any individual who alleges a reprisal prohibited under subsection (a) may seek review before the Merit Systems Protection Board or, for contractor employees, may file a complaint with the Inspector General of the Department of Defense. Remedies may include reinstatement, back pay, and attorney’s fees. In cases of willful or deliberate reprisal, the responsible official may be subject to personal civil liability and referral for debarment.

TITLE VI—STRATEGIC REORIENTATION AND NEXT-GENERATION SECURITY INVESTMENTS

SEC. 601. SHIFT TOWARD COST-EFFECTIVE NATIONAL SECURITY CAPABILITIES.

(a) CYBER AND NON-KINETIC INVESTMENT REVIEW.—The Secretary, in coordination with the Director of National Intelligence and the Director of the Cybersecurity and Infrastructure Security Agency, shall conduct a review not later than 1 year after enactment examining the cost-effectiveness ratio of cybersecurity, space-based intelligence, unmanned systems, and diplomatic conflict-prevention investments relative to equivalent legacy weapons platform investments, and shall submit findings to the appropriate committees of Congress with recommendations for investment rebalancing.

(b) DIPLOMACY FUND.—There is authorized to be appropriated to the Department of State, from savings achieved under this Act, an additional \$2,000,000,000 for fiscal year 2026 and each subsequent fiscal year through fiscal year 2030, for conflict-prevention, early warning, and civilian stabilization programs, which shall be separate from existing State Department appropriations and shall be subject to annual reporting to the appropriate committees of Congress.

(c) LIMITATION ON CERTAIN LEGACY PROGRAMS.—Funds may not be appropriated for the initiation of any new manned tactical aircraft program until the Secretary certifies to Congress that all existing manned tactical aircraft programs have been evaluated under the review required by section 201 and that no existing program can be consolidated to meet the identified requirement.

TITLE VII—ENFORCEMENT, PENALTIES, AND REMEDIES

SEC. 701. CIVIL PENALTIES FOR VIOLATIONS.

(a) CONTRACTOR VIOLATIONS.—Any defense contractor that knowingly submits false or materially misleading cost structure disclosures required under section 302(a) shall be subject to

- (1) a civil penalty of not less than \$500,000 and not more than \$5,000,000 per violation;
- (2) recovery by the United States of all excess profits attributable to the false disclosure;
- (3) suspension or debarment from Federal contracting for a period of not less than 2 years and not more than 5 years; and
- (4) termination of any existing Federal contracts in which the false disclosure was material.

(b) REVOLVING DOOR VIOLATIONS.—Any former senior procurement official who violates the post-employment restrictions of section 302(c) shall be subject to a civil penalty of not more than \$200,000, forfeiture of any compensation received in violation of such restrictions, and referral to the Department of Justice for criminal investigation under applicable conflict-of-interest statutes including 18 U.S.C. § 207.

(c) ENFORCEMENT AUTHORITY.—Civil penalties under this section shall be assessed and collected by the Attorney General, upon referral from the Inspector General of the Department of Defense or the Department of Justice. The United States district courts shall have jurisdiction over civil actions brought to enforce this section.

SEC. 702. CRIMINAL PENALTIES.

Any person who willfully and knowingly

(1) submits a false certification under section 302(a)(4) with intent to defraud the United States; (2) provides materially false testimony to Congress in connection with any program review required by this Act; or

(3) destroys, alters, or conceals records required to be maintained under this Act with intent to obstruct an audit or investigation, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

Nothing in this section shall be construed to limit the applicability of the False Claims Act (31 U.S.C. 3729 et seq.) or any other Federal statute providing for criminal or civil liability for fraud against the United States.

TITLE VIII—BUDGETARY PROVISIONS, APPROPRIATIONS, AND EFFECTIVE DATE

SEC. 801. ALLOCATION OF BUDGETARY SAVINGS.

(a) SAVINGS REPORTING.—All budgetary savings realized through actions taken pursuant to this Act shall be

- (1) quantified in the annual Defense Savings Report required by section 501(c);
- (2) reported to the Office of Management and Budget for inclusion in the President’s Budget submission; and
- (3) tracked in a dedicated savings account within the Department’s financial management system.

(b) RECOMMENDED REALLOCATION. It is the sense of Congress that budgetary savings achieved under this Act should be allocated in the following priority order:

- (1) deficit reduction;
- (2) investments in veterans’ healthcare and benefits;
- (3) public infrastructure;
- (4) domestic research and development; and
- (5) the Diplomacy Fund established under section 601(b). Specific appropriations of savings shall be subject to the regular appropriations process and the requirements of the Congressional Budget Act of 1974.

(c) SCOREKEEPING.—The Director of the Congressional Budget Office shall include a scoring estimate for this Act within 45 days of enactment, and shall provide updated score estimates on an annual basis as actual savings are realized and reported.

SEC. 802. AUTHORIZATION OF APPROPRIATIONS FOR IMPLEMENTATION.

There are authorized to be appropriated such sums as may be necessary to carry out this Act, including

- (1) not more than \$25,000,000 for the establishment and operation of the Independent Defense Procurement Review Panel established under section 203;
- (2) not more than \$50,000,000 for the development and operation of the public spending transparency portal required by section 501(b); and

(3) such sums as may be necessary for the reviews, reports, and audits required under Titles II, III, and IV of this Act. Amounts appropriated under this section shall be derived from unobligated balances within existing Department of Defense administrative accounts to the maximum extent practicable.

SEC. 803. EFFECTIVE DATE AND IMPLEMENTING REGULATIONS.

(a) GENERAL EFFECTIVE DATE.—Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on the first day of the first fiscal year beginning after the date of enactment of this Act.

(b) IMPLEMENTING REGULATIONS.—The Secretary of Defense, the Secretary of State, the Director of the Office of Management and Budget, and the Comptroller General shall each issue such regulations, guidance, and directives as are necessary to implement the provisions of this Act applicable to their respective authorities not later than 12 months after the date of enactment of this Act, and shall provide for a public comment period of not less than 60 days for any proposed rule of general applicability.

(c) SEVERABILITY.—If any provision of this Act, or the application of such provision to any person or circumstance, is held to be unconstitutional, the remainder of this Act and the application of the provisions of this Act to any person or circumstance shall not be affected thereby.

(d) SAVINGS CLAUSE.—Nothing in this Act shall be construed to— (1) limit the constitutional authority of the Commander in Chief to direct military operations; (2) reduce compensation, benefits, or retirement entitlements of members of the Armed Forces or civilian employees of the Department of Defense; (3) affect the obligation of the United States under any treaty currently in force; or (4) modify the requirements of the National Security Act of 1947, the Goldwater-Nichols Department of Defense Reorganization Act of 1986, or title 10, United States Code, except as expressly provided in this Act.

Passed the House of Representatives _____, 2025.

Attest:

_____,
Clerk of the House of Representatives.