



November 19, 2024

To the Members of the United States Senate:

The U.S. Chamber of Commerce supports S. 4638, the National Defense Authorization Act for Fiscal Year 2025, which would authorize \$911.8 billion for military and national security programs at the Department of Defense and Department of Energy, advance the National Defense Strategy, and ensure that the Department of Defense's procurement, research, and readiness priorities are met.

We appreciate the bipartisan work of the Committee on Armed Services to craft this important legislation. Among the many provisions of S. 4638 we support are:

- **Afghan Assistance:** We are pleased the bill would provide an extension of the Special Immigrant Visa program for Afghan refugees.
- **“Block Buy Contracts” and Multiyear Procurement Authority for CH-53K Heavy Lift Helicopter Program:** Authorizing the Navy to enter into “block buy contracts” for this heavy lift capability would send the necessary signal to industry to make needed investments in supply chains, manufacturing, and personnel. During this year's historic NATO Summit Defense Industry Forum, the number one request of defense industry executives is more multiyear commitments from Congress and the Administration to catalyze investments in the infrastructure and personnel needed to support the U.S. defense industrial base.
- **Improvements to the Security Cooperation and Acquisition Workforce:** Section 1289 would create a foreign military sales continuous process improvement board that would enhance transformation and accountability, and would explore ways to provide allied and close partner nations with timelier capability support. The crises in Ukraine and the Middle East clearly demonstrate that now is the time to challenge legacy programs and processes to better support friends and allies.
- **Space Missions:** The Chamber supports creation of a Commercial Augmentation Space Reserve Program. We also support provisions of the bill's report stating that the Department of Defense should develop mechanisms that enable the integration of commercial space to develop resilience across space mission areas, similar to how the federal government has established contractual mechanisms for the air and maritime domains to ensure logistics support in times of war.

- **Department of Defense Requirements Process Advisory Panel:** Section 806 of the bill would enable the Pentagon to establish and maintain an advisory panel on streamlining the requirements process of the Department. This provision would be improved by requiring the advisory panel to investigate ways to stabilize requirements – not only to streamline them – which would better ensure investments in potential capabilities are not wasted.

The Chamber believes S. 4638 would be improved if amended in several key areas:

- **Third-Party Litigation Funding:** Provisions should be added to require disclosure of third-party litigation funding in federal civil litigation, such as SA2333 authored by Senators Kennedy and Manchin related to the Protecting Our Courts From Foreign Manipulation Act.
- **Liquefied Natural Gas (LNG) Exports:** We support efforts to repeal unnecessary restrictions on the export and import of natural gas put in place by the Biden administration. U.S. LNG plays a critical role in providing energy security for allies in both Europe and Asia. With Europe still relying on Russia for 15 percent of its natural gas, and with global demand expected to increase for several decades, continued expansion of U.S. export capacity is essential to American interests and to supporting America's allies and partners.
- **Short-Term Pell:** We strongly support inclusion of the Bipartisan Workforce Pell Act in the bill which would allow Pell Grants to support eligible students enrolled in short-term programs focused on in-demand jobs and that meet their career goals Congress should provide more opportunities and on-ramps for those seeking to build the skills necessary for today's labor market. This program is a win-win for both individuals and employers, particularly those that are part of the defense industrial base.
- **Critical Minerals:** We strongly support amendments intended to strengthen the domestic supply of critical minerals and materials, and associated supply chains. Reliable access to critical minerals is vital to U.S. defense capabilities. China's dominance as a global provider of critical minerals and Russia's aggression underscores the critical need to address this issue. A comprehensive strategy that embraces both new domestic mining and processing, sourcing from a diverse array from among allied partner nations, enhanced diplomatic efforts, investment in infrastructure development for regional critical minerals recycling and innovative technology for sourcing critical minerals is vital to any blueprint for strengthening the U.S. critical mineral supply chain.

- **Domestic Counter-Drone Protections:** Amendment SA2159, which includes the text of S. 1631, Safeguarding the Homeland from the Threats Posed by Unmanned Aircraft Systems Act of 2023, is bipartisan and bicameral legislation intended to protect sensitive sites such as airports, mass gatherings, and critical infrastructure, from risks posed by drones and malicious operators.
- **Small Business Reporting Extension Under the Corporate Transparency Act:** The bill should include provisions that would provide the business community and Federal regulators additional time to educate small business owners about their obligations and reporting requirements. Fewer than 10 percent of small business owners required to report beneficial ownership information by January 1, 2025, under the Corporate Transparency Act are aware of this reporting requirement. Without action by Congress, steep fines and criminal penalties will soon be triggered on unsuspecting small businesses.
- **Chemical Facility Security:** SA 2502 would renew the Chemical Facility Anti-Terrorism Standards (CFATS) program. The Department of Homeland Security, which administered CFATS, and industry have over many years partnered to enhance the security and resilience of America's chemical facilities. The CFATS program that supported these efforts expired July 27, 2023. Action by Congress is needed to support and expand the work of this important program.

Moreover, the Chamber urges you to oppose efforts to weaken this important legislation, including provisions and amendments related to:

- **Arbitration, Class Action Litigation, False Claims Act and Private Rights of Action:** We strongly oppose any amendments that would limit pre-dispute arbitration, or prohibit or otherwise limit class action waivers, or expand private rights of action or the False Claims Act. The Chamber believes that such unwarranted expansions would lead to costly, time-consuming, and adversarial litigation for service members, veterans, and entities receiving government funds such as contractors while only serving to enrich the plaintiffs' bar.
- **Per-and Polyfluoroalkyl Substances (PFAS):** We oppose any amendments or provisions of the bill that would circumvent existing, well-established regulatory processes and would predetermine outcomes related to cleanup of PFAS contaminated sites, or would further restrict the procurement of PFAS-containing products and retract the Department of Defense lifting of the ban on incineration. The Chamber continues to strongly support the ongoing Environmental Protection Agency process to evaluate sites, establish appropriate regulatory standards supported by sound science and risk, and

facilitate expeditious cleanups. We also support public-private partnerships in research, development, and deployment in innovative treatment, disposal, and destruction technologies. The Chamber believes the bill's report, which calls for an evaluation of the impact of the definitions of PFAS on fluorinated gases used in fire suppression applications, is appropriate. We also believe legislation is necessary to establish a federal PFAS definition consistent with the approaches of Delaware and West Virginia approaches that exempt f-gases and fluoropolymers.

- **Contractor Debarment:** We urge you to reject attempts to impose a ban on federal contracting with firms that have willful or repeat violations of the Fair Labor Standards Act (FLSA). Such action is unnecessary and would be redundant as a suspension and debarment process is already in place. Furthermore, the FLSA provides for remedies and penalties for contractors in violation, which are vigorously pursued by the Department of Labor. There is no compelling need for additional penalties. Finally, such legislation could enable entities to generate potentially false FLSA violation allegations to undermine other firms competing for federal work.
- **Pilot Program on Use of Reverse Engineering for Production of Parts:** We strongly oppose any program to encourage reverse engineering or re-engineering of industry manufactured components without consent. Such actions would violate important intellectual property protections. Furthermore, we oppose Section 828 of the bill, which would establish a "right to repair" regime in Title 10 with a de facto compulsory licensing requirement, without any limitations for the protection of sensitive trade secrets.

The Chamber supports S. 4638, the National Defense Authorization Act for Fiscal Year 2025. We believe that passage of this bipartisan legislation is a critical step to ensuring America's national defense commitments remain strong in a challenging global environment.

Sincerely,



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and Head of Strategic Advocacy  
U.S. Chamber of Commerce