

July 14, 2025

Dear Representative,

We, the undersigned organizations, write to urge you to support the bipartisan Nunn-McCurdy Reform Act of 2025, legislation that would protect taxpayers and national security by strengthening the Nunn-McCurdy process.

The Nunn-McCurdy Act, passed by Congress in 1982, requires the Pentagon to notify Congress if the per-unit cost of a Major Defense Acquisition Program (MDAP) rises by 15 percent or more above its current baseline cost.¹ This is known as a significant breach. If the per-unit cost of a MDAP reaches 25 percent or more above the current baseline, that constitutes a critical breach, requiring the Secretary of Defense to notify Congress, to evaluate the root causes of the cost growth, and to either terminate the program or make a series of certifications explaining the rationale for its continuation. Specifically, to prevent termination, the secretary must certify that the program is critical to national security, that the program is a higher priority than other programs that would face cuts as a result, and that there are no alternatives to the program that would offer acceptable capabilities at a lower price.

Unfortunately, the requirement for these certifications has failed to create meaningful accountability for MDAPs facing major cost overruns. The Pentagon has increasingly treated the Nunn-McCurdy process as a box-checking exercise, in which it makes all the necessary certifications for over budget programs to continue without meaningfully reassessing alternatives. Between 2007 and 2015, there were 13 significant breaches and 24 critical breaches of the Nunn-McCurdy Act.² Of those 24 critical breaches, only 3 programs were terminated during that time frame.³

There is also no requirement that these certifications be made available to the public, limiting opportunities for public oversight and undermining the ability of civil society organizations to engage in public education surrounding critical national security spending decisions.

One program that suffered a Nunn-McCurdy breach was the F-35, which has since continued to experience major cost growth, schedule delays, and performance shortfalls.⁴ Another was the Air Force's Operational Control Segment (OCX), a next-generation ground system for operating

¹ "The Nunn-McCurdy Act: Background, Analysis, and Issues for Congress." Congressional Research Service. Updated May 12, 2016. <https://www.congress.gov/crs-product/R41293>

² "The Nunn-McCurdy Act: Background, Analysis, and Issues for Congress." Congressional Research Service. Updated May 12, 2016. P. 17. <https://www.congress.gov/crs-product/R41293>

³ Ibid.

⁴ "F-35s Are Increasingly Unavailable as the Program's Projected Lifecycle Cost Hits \$2 Trillion." Taxpayers for Common Sense. April 17, 2024. <https://www.taxpayer.net/national-security/f-35s-are-increasingly-unavailable-as-the-programs-projected-lifecycle-cost-hits-2-trillion/>

GPS satellites, which suffered a critical breach in 2016 due to defects in the design and the complexity of its requirements.⁵

In a more recent example of a critical breach, the Pentagon reported that the per unit cost of the Sentinel Intercontinental Ballistic Missile (ICBM) program had risen by 37 percent above its current baseline. Following a review, the Pentagon certified the program to move forward while explaining that the restructured program would in fact come in 81 percent over budget.⁶

The Nunn-McCurdy Reform Act of 2025 would improve oversight, ensure public access to certification documents, and impose real accountability for MDAPs facing critical cost overruns. Specifically, the bill would create a 30-day deadline for reporting cost overruns to Congress, ensure that major sub-programs with lifecycle costs above \$500 million are subject to Nunn-McCurdy requirements, ensure cost estimates capture full lifecycle costs, and require certifications made pursuant to the Nunn-McCurdy Act to be made publicly available on a DOD website.

Furthermore, the bill would require the Secretary of Defense to terminate MDAPs within 90 days after their second critical cost breach. While Congress could reauthorize and reappropriate funds for terminated programs, requiring the Secretary of Defense to terminate programs facing their second critical cost breach would incentivize Pentagon programs and contractors to develop more accurate cost estimates, which would in turn ensure national security spending decisions are informed by budget realities.

National security and fiscal responsibility require transparency and accountability when it comes to the costs of major weapons programs. The Nunn-McCurdy Reform Act of 2025 would deliver on both. We urge you to support it.

Sincerely,

Council for a Livable World

National Taxpayers Union

Peace Action

Project on Government Oversight

Quincy Institute for Responsible Statecraft

Taxpayers for Common Sense

Washington Physicians for Social Responsibility

⁵ Gruss, Mike. "Air Force declares Nunn-McCurdy breach on GPS ground system." Space News. June 30, 2016.

<https://spacenews.com/air-force-declares-nunn-mccurdy-breach-on-gps-ground-system/>

⁶ "DOD Press Briefing Announcing Sentinel ICBM Nunn-McCurdy Decision." U.S. Department of Defense. July 8, 2024.

<https://www.defense.gov/News/Transcripts/Transcript/Article/3830251/dod-press-briefing-announcing-sentinel-icbm-nunn-mccurdy-decision/>