

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
MINORITY (202) 225-5051
<https://oversight.house.gov>

Ranking Member Robert Garcia

Subcommittee on National Security, the Border, and Foreign Affairs

“Wasteful Spending and Inefficiencies: Examining DOD Platform Performance and Costs”

July 24, 2024

Thank you, Chairman Grothman.

I’m glad to be here for a bipartisan look at an important subject.

We have had productive hearings on Navy Shipbuilding Challenges, the failure of the Department of Defense to pass an audit, and on the V-22 Osprey.

The Department requested nearly \$850 billion for their fiscal year 2025 budget.

So we know that if we go looking for inefficiency and waste, we will find it.

The Department of Defense, as the chairman noted, still can’t pass an audit.

So it goes without saying that these problems are bigger than any single administration, President, or Party.

The Department of Defense Weapon Systems Acquisition process was first added to the Government Accountability Office’s list of government operations at high risk for waste fraud and abuse in 1990.

We continue to struggle with systems that come in late, and way over budget.

We know that sole-source suppliers can create mini-monopolies and exploit their market power to overcharge the military.

Bipartisan oversight committee investigations found that defense contractors have gouged taxpayers and the DOD by buying companies with sole-source contracts for spare parts and then raising prices dramatically.

The Department of Defense Office of Inspector General found that we have wasted billions of dollars over the last 20 years, from overcharging for spare parts alone.

That’s crazy and unacceptable.

But it’s not just contractors.

We spent billions of dollars on the Littoral Combat Ship, or LCS following the launch of the program in 2005.

The vessel, known by some as the “little crappy ship,” cost over \$500 million per ship, more than double the initial cost.

The vessels constantly broke down, and DOD relied on contractors for so much maintenance that our navy personnel couldn’t fix their own ships.

To add insult to injury, the Navy has admitted that the LCS “does not provide the lethality or survivability needed in a high-end fight.”

In normal English, that means they can’t fight—but would be easy to destroy—in a real war.

There are many other programs that we know have struggled for years.

Unfortunately, just a few weeks ago, the majority blocked consideration of an amendment to this year’s defense spending bill, from Ranking Member Smith and Congressman Norcross, which would have reduced the number of F-35 aircraft until program failures were addressed.

The F-35 program is projected to cost \$2 trillion over its lifecycle, but it has been dysfunctional for years.

In July 2023, the DOD stopped accepting F-35 aircraft deliveries until the enterprise could successfully deliver, test, and field the next version of the Operational Flight Program.

We only began receiving deliveries again last Friday after a full year of inaction.

It is clear that we need more accountability from this program.

Every cent we waste could be invested in priorities like health care, education, or the fight against climate change.

I want to be fair—we know that developing systems that integrate cutting edge technology is extremely difficult.

And we face real tradeoffs. It’s easy to say that we should reduce bureaucracy and try to make it easy for new companies to do business with DoD to increase competition.

Or that the DoD should make it easier for suppliers by offering more certainty, so that suppliers can reduce costs.

But I think we all agree that it’s important to have safeguards and oversight to make sure that contractors deliver material that won’t put our servicemembers in danger.

Our defense needs and budgetary decisions can be unpredictable.
But in many ways, we keep making the same mistakes.

I look forward to a productive conversation with our witnesses about how we can invest our taxpayer dollars more effectively

###