

Defense Associations in Letter to Congress Ask That CR Includes Inflation

Arlington, Va. – The National Defense Industrial Association (NDIA), along with the Aerospace Industries Association (AIA) and the Professional Services Council (PSC) – a group of defense associations known as the “Tri-association” – sent a letter today to Appropriations Committees’ leadership requesting expedited completion of the fiscal 2023 defense appropriations bill.

The bipartisan letter urged Congress to consider the impacts of inflation when setting the topline for a continuing resolution, or CR. NDIA’s president and CEO, David L. Norquist, said, “if left unaddressed, inflation will significantly weaken our national defense. We look forward to working with Congress to take comprehensive and bipartisan steps to address this challenge.”

“Our letter offers concrete ways to mitigate the impacts of cost growth due to inflation and labor market forces through Congress, the executive branch, and industry working together on solutions,” said David Berteau, president and CEO of the Professional Services Council.

“Inflation is everywhere and impacting us all. We cannot allow it to undermine our national security as well. Everyone needs to be concerned, and policymakers must work to address the impacts immediately,” said Eric Fanning, president and CEO of AIA.

As inflation reached a 40-year-high this year, the typical practice of setting CRs at the previous year’s level would leave the service budgets running at a 9% deficit from the funding level required to maintain the buying power Congress

intended in its 2022 enacted budget, as cited in the letter.

The Tri-association letter requests Congress allow new starts and quantity increases where bipartisan support exists to allow industry and the Department of Defense to meet requirements and respond to threats.

“Given our nation’s security challenges, Congress should be encouraging the Department and industry to move faster to field new technologies, not directing them to pause,” it said.

It further highlights the harm to businesses, especially smaller businesses, of failing to adjust contracts based on inflationary impacts.

The associations view the call as a necessity step to protect our national security, ensuring that those in our military are provided with the equipment for their mission.