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Chairman Roger Wicker Senate Committee on Armed Services Washington, DC 20515

Chairman Mike Rogers House Committee on Armed Services Washington, DC 20515 Ranking Member Jack Reed Senate Committee on Armed Services Washington, DC 20515

Ranking Member Adam Smith House Committee on Armed Services Washington, DC 20515

Dear Chairmen Wicker & Rogers and Ranking Members Reed & Smith:

On behalf of the Associated General Contractors of America (AGC) – the leading association in the construction industry representing more than 27,000 firms, including America's leading general contractors and specialty-contracting firms – thank you for your leadership in developing the *National Defense Authorization Act for Fiscal Year 2026*.

The Department of Defense (DoD) construction agencies perform tens of billions of dollars in military construction projects each year, as authorized under the National Defense Authorization Act (NDAA). As such, AGC urges the House and Senate to continue the annual process and omit policies that could jeopardize bipartisan support for military infrastructure. As you negotiate the differences between the House and Senate legislative proposals, AGC requests that you address the provisions below of concern to the construction industry:

- Include House Sec. 312 Inclusion of information about PFAS investigation and remediation in annual report on defense environmental programs. This section should be included because Congress needs visibility into the extent and cost of PFAS remediation across DoD installations. It also ensures accountability and helps prevent military construction contractors from being held financially responsible for PFAS contamination they did not cause. Although the construction industry does not manufacture PFAS, it may already be present on project sites. For some projects, the potential contamination risks are discouraging bidders, shrinking the pool of qualified contractors, and increasing overall project costs.
- Include House Sec. 804 Assumption of uninsurable risk on certain contracts. This section should be included because it provides risk protection for contractors working on highly classified or hazardous projects. By allowing the government to assume uninsurable risks, it encourages broader participation and reduces project cost uncertainty.
- Exclude House Sec. 818 Government Accountability Office bid protest process enhancement. This section should not be included because it creates a conflict of interest where GAO could profit from rulings against contractors. Congress should reject any

- approach that undermines fair due process or imposes additional costs on contractors seeking legitimate recourse.
- Exclude House Sec. 836 Reform of contractor performance information requirements. This section should not be included because it focuses only on negative performance data. Omitting positive corrective actions misrepresents a contractor's performance history and unfairly disadvantages experienced firms in future competitions.
- Include House Sec. 2804 Authority to use progressive design-build procedures for military construction projects. This section should be included because it gives DoD flexibility to select the most effective project delivery method. Allowing multiple delivery options ensures DoD is not constrained by outdated or one-size-fits-all procurement policies.
- Include House Sec. 2806 Consideration of modular construction methods for military construction projects with protective design elements. This section should be included because for similar reasons stated in Sec. 2804. Federal agencies should have flexibility to ensure efficient and on time delivery of military construction projects.
- Include House Sec. 2807 Multiyear contracting authority for certain military construction projects. This section should be included because it provides predictability for both DoD and industry. Multiyear contracting can allow for cost savings and offers stability to contractors planning workforce and materials.
- Include House Sec. 2809 Authorize Cost-Plus Incentive Fee Contracting for SIOP Infrastructure. This section should be included because it allows DoD flexibility to execute complex infrastructure projects under the Shipyard Infrastructure Optimization Program (SIOP). Cost-plus incentive fees can balance accountability with adaptability for evolving project requirements.
- Include House Sec. 2826 Repeal of Construction Requirements Related to Antiterrorism and Force Protection or Urban-Training Operations. This section should be included because outdated construction mandates increase costs without improving safety. Removing obsolete requirements ensures resources can be focused where risks actually exist.
- Include House Sec. 2830 Review of Unified Facilities Criteria applicable to military construction projects; report. This section should be included because the Unified Facilities Criteria should align with current industry standards. Updating UFCs reduces inefficiencies, outdated design requirements, and unnecessary cost burdens on contractors.
- Include House Sec. 2831 Annual report on cost premium for construction of certain facilities. This section should be included because it promotes transparency into why military construction costs exceed comparable private-sector projects. Understanding these cost drivers helps Congress and DoD target policy reforms.
- Include Senate Sec. 834 Uninsurable Risk on Certain Contracts. This section should be included because it allows the government to cover uninsurable risks for classified or hazardous work. It enables more firms to compete for sensitive projects without facing prohibitive liability exposure.
- Exclude Senate Sec. 867 Reform of Contractor Performance Information Requirements. This section should not be included because it overemphasizes negative

- contractor evaluations without context. One-sided reporting can distort performance histories and reduce fair competition in future contract awards.
- Include Senate Sec. 2803 Reauthorization and Modification of Special Design-Build Authority for Military Construction Projects. This section should be included because it helps ensure DoD has the flexibility to choose the most effective project delivery method without being limited by rigid or outdated procurement policies.

Thank you for your commitment to finding bipartisan solutions to address the nation's military infrastructure needs. We look forward to working with you to get this important legislation signed into law.

Sincerely,

Alex Etchen

Vice President, Government Relations