

October 5, 2026

The Honorable Roger Wicker
Chairman
Senate Armed Services Committee
U.S. Senate
Washington, DC 20510`

The Honorable Jack Reed
Ranking Member
Senate Armed Service Committee
U.S. Senate
Washington, DC 20510

The Honorable Mike Rogers
Chairman
House Armed Services Committee
U.S. House of Representatives
Washington, DC 20515`

The Honorable Adam Smith
Ranking Member
House Armed Service Committee
U.S. House of Representatives
Washington, DC 20515

Re: Section 815 of S. 4784, the FY27 National Defense Authorization Act

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

On behalf of the undersigned labor organizations collectively representing millions of workers across the United States, including members working at the nation's leading defense contractors and suppliers, active-duty service members, and veterans, we write in strong support of Section 815 of S. 4784, the FY27 National Defense Authorization Act (FY27 NDAA).

Union labor has long powered the defense industrial base, serving as a key driver of our advanced manufacturing prowess and proving vital to our economic security. The sector supports millions of skilled jobs and our members design, produce, and service goods that are foundational to U.S. national security. Despite its profound importance, the defense industry has enjoyed a hands-off approach from the government over its investment decisions. There is mounting evidence and an emerging bipartisan consensus that the nation's largest prime and subprime defense contractors have not served as competent stewards of taxpayer funding, using massive Pentagon contracts to prioritize short term gains and funnel profits to shareholders. As a result, cost overruns, production delays, and supply chain backlogs have become well-documented issues in the defense sector, prompting action from President Trump earlier this year to curb certain capital distributions by defense contractors.¹

With the industry's center of gravity progressively shifting to investor returns, workers too have paid an enormous price. Despite defense spending increasing by 22% from 1985 to 2020, employment at defense contractors has been cut by more than half, falling from 3.2

¹ *Prioritizing the Warfighter in Defense Contracting*, 91 Fed. Reg. 1377 (Jan. 13, 2026).

million to 1.1 million workers.² At the same time, wages have eroded at the jobs that do remain, with inflation-adjusted average salaries in the sector decreasing from \$100,500 to \$80,243 over three decades.³ Due to prolific subcontracting and union busting, unionization in the sector has dramatically decreased, with an estimated 10% to 14% of the defense sector unionized.⁴ Our members have long understood this reality. In contract negotiations and organizing campaigns with these employers, we hear time and again that there are not enough resources to provide workers with job security and fair compensation. In just the past two years, this has led to labor disputes and work stoppages at major defense contractors such as Boeing, Lockheed Martin, General Dynamics, Textron, GE Aerospace, Pratt & Whitney, and more.

Our defense industrial base is in desperate need of strict guardrails to prioritize investment in production capacity expansion, job quality and security, and other capital expenditures. We strongly support Section 815's robust extension of President Trump's restrictions on capital distributions by defense contractors.⁵ Taxpayer dollars should be used to strengthen the defense industrial base in furtherance of our national security, not to enrich shareholders and corporate executives with stock buybacks and dividends. Since 2020, the big five prime defense contractors have spent twice as much on stock buybacks and dividends than capital expenditures.⁶ Spending on stock buybacks and dividends still outpaces capital expenditures (\$2.7 billion v. \$650 million in Q1 2026).⁷ However, following President Trump's executive order limiting certain distributions, defense primes decreased spending on stock buybacks and dividends by 36%.⁸ We believe this provides overwhelming evidence that these common-sense restrictions are feasible, effective, and necessary to expand and codify into law.

With the highest level of importance, we ask you to stand with America's defense workers and seize this opportunity to enshrine Section 815 in the final FY27 NDAA. We urge you to cosponsor the underlying bill, S. 4212, *Prioritizing the Warfighter in Defense Contracting Act*, and oppose attempts to strip Section 815 from the FY27 NDAA.

² Taylor Barnes, Labor of the US Military-Industrial Complex at 3 (April 23, 2026), <https://transitionsecurity.org/wp-content/uploads/2026/04/Labor-of-the-US-Military-Industrial-Complex-%E2%80%93-Transition-Security-Project-2.pdf>

³ See *id.* The decrease in wages is particularly stark given the increase in proportion of white-collar jobs.

⁴ See *id.*

⁵ S. 4784, National Defense Authorization Act for Fiscal Year 2027 at 544.

⁶ US Defense Majors Face a \$110 Billion Conundrum to Please Trump, BLOOMBERG (Jan. 8, 2026), <https://www.bloomberg.com/news/articles/2026-01-08/us-defense-majors-face-a-110-billion-conundrum-to-please-trump>

⁷ Warren, Lee Publish New Bipartisan Analysis Revealing Progress on Limiting Defense Contractor Stock Buybacks, Urge Pentagon to Support Codifying Reforms in Law (Aug. 11, 2026), <https://www.warren.senate.gov/newsroom/press-releases/warren-lee-publish-new-bipartisan-analysis-revealing-progress-on-limiting-defense-contractor-stock-buybacks-urge-pentagon-to-support-codifying-reforms-in-law/>

⁸ See *id.*

Sincerely,

United Auto Workers (UAW)

United Steelworkers (USW)

International Federation of Professional and Technical Engineers (IFPTE)

Communications Workers of America (CWA)

International Brotherhood of Boilermakers (IBB)

International Brotherhood of Teamsters (IBT)

International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART)

cc: The Honorable John Thune, Majority Leader, U.S. Senate
 The Honorable Chuck Schumer, Minority Leader, U.S. Senate
 The Honorable Mike Johnson, Speaker, U.S. House of Representatives
 The Honorable Hakeem Jeffries, Minority Leader, U.S. House of Representatives