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{ REPORT
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STREAMLINING PROCUREMENT FOR
EFFECTIVE EXECUTION AND DELIVERY AND
NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2026

R E P O R T

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ON

H.R. 3838

together with

ADDITIONAL VIEWS

[Including cost estimate of the Congressional Budget Office]



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Comptroller General Review of Use of Data-Driven Procurement Solutions by the Department of Defense

The committee is aware that AI-driven analytics, automation, and data integration can aid in assessing and improving contracting efficiency, transparency, and oversight. However, the committee is concerned that the use of such tools is not widespread within the business management and acquisition processes of the Department of Defense. Therefore, the committee directs the Comptroller General of the United States to conduct a review of the Department's use of data-driven procurement tools, including AI-based analytics, to assist in auditing activities, fraud detection, identification of procurement inefficiencies, supplier management, compliance measures, and contracting activities, while identifying cost-saving opportunities and best practices for modernizing defense acquisitions.

The committee also directs the Comptroller General of the United States to submit a report to the House Committee on Armed Services not later than February 2, 2026, that includes the findings and recommendations from the review.

Contracting Workforce Performance Measures

The committee remains concerned that the defense acquisition system is not delivering the weapon systems needed by the U.S. military to deter and defeat America's adversaries. The committee recognizes that the contracting workforce performs a crucial role that impacts how quickly weapons systems are delivered to warfighters, the costs of contracts, and how the government holds contractors accountable for their performance. However, the committee is concerned that the contracting workforce is overly reliant on performance metrics such as the number of contracts managed, the dollar value of contracts, and other measures that do not sufficiently assess the quality of contracting outcomes when considering individual contracting officer performance. The committee supports the Department's efforts to develop measures of performance that assess contract outcomes, versus the size and quantity of contracts.

Therefore, the committee directs the Under Secretary of Defense for Acquisition and Sustainment to provide a briefing to the House Committee on Armed Services not later than February 27, 2026, on the Department's efforts to update contracting workforce performance measures based on contract outcomes.

Controlled Unclassified Information Handling, Monitoring, and Validation Within the Defense Industrial Base

The committee understands that the Cybersecurity Maturity Model Certification (CMMC) program intends to establish robust security controls for people, processes, and technology to safeguard Controlled Unclassified Information (CUI) within the defense industrial base. However, challenges remain due to the complexity and volume of data that existed in both government and contractor systems before the CMMC program, and the CUI designation, was put in place.

The committee recognizes that the location, identification, assessment and, if necessary, designation of this historic data as CUI, is a considerable undertaking with shared responsibility between the

government and contractors. The committee encourages the Secretary of Defense to apply a risk-based approach in establishing requirements for contractors to conduct reviews and analysis and appropriate designation of data necessary to support effective implementation of CMMC. Additionally, the committee remains concerned that currently there is no mandatory mechanism to ensure continuous monitoring and remediation of CUI that may be inadvertently stored or transmitted outside approved environments, posing risks of non-compliance and potential data exposure.

Therefore, the committee directs the Secretary of Defense, to submit a report to the House Committee on Armed Services not later than March 1, 2026, on efforts by the Department to improve the identification, designation and security of unclassified information that requires safeguarding or dissemination controls limiting its distribution to those with a lawful government purpose, including data that existed before the CUI designation was established. The report should also include details on specific measures, including methods to continuously monitor compliance with CMMC requirements, that are in place to assist in these efforts.

Critical Minerals Required to Support Department of Defense Requirements

The committee notes that the Department of Defense relies on a broad array of critical minerals and rare earth elements to support U.S. military capabilities. The committee remains concerned about national security risks posed by an overreliance on foreign sources, particularly adversarial nations, for the supply, processing, and refinement of these materials. While the committee recognizes prior efforts by Congress and the Department to address critical mineral supply chain vulnerabilities, the Department's requirements for critical minerals continues to evolve rapidly.

Therefore, the committee directs the Secretary of Defense, in coordination with the Director, Defense Logistics Agency, to provide a briefing to the House Committee on Armed Services not later than March 27, 2026, on the Department's current and projected demands for critical minerals and rare earth elements and efforts to diversify sourcing requirements.

Critical Minerals Supply Chain Transparency

The committee supports efforts to enhance transparency in U.S. critical mineral supply chains to ensure adequate resourcing and procurement, readiness of U.S. Armed Forces, and proper handling of hazardous (including radioactive) materials.

Therefore, the committee directs the Director of the Defense Logistics Agency to establish a program not later than December 1, 2025, that utilizes in-house or commercially available software and technologies that provide visibility and data analytic capabilities to track and manage U.S. supply chain operations. The Department may consider providing grants, contracts, or subsidies to encourage contractors to utilize such software and technologies.

The committee also directs the Director of the Defense Logistics Agency to provide a report to the House Committee on Armed Services not later than December 1, 2026, based on information gathered from the new program. The report shall include the following: