

AMENDMENT TO RULES COMMITTEE PRINT 119–

33

OFFERED BY MR. HUDSON OF NORTH CAROLINA

At the end of subtitle E of title VIII, insert the following:

1 **SEC. 8___ . REPORT ON CONTRACTORS SEEKING COMPEN-**
2 **SATORY RELIEF FROM INFLATION.**

3 (a) FINDINGS; SENSE OF CONGRESS.—

4 (1) FINDINGS.—Congress makes the following
5 findings:

6 (A) During the COVID-19 pandemic, De-
7 partment of Defense contractors faced historic
8 inflation for goods and services they provided to
9 the Department of Defense after signing initial
10 firm-fixed price contracts.

11 (B) In the amendments made to Public
12 Law 85–804 (50 U.S.C. 1431) by section 822
13 of the James M. Inhofe National Defense Au-
14 thorization Act for Fiscal Year 2023 (Public
15 Law 117–263) and in section 826 of the Na-
16 tional Defense Authorization Act for Fiscal
17 Year 2024 (Public Law 118–31; 10 U.S.C. note
18 prec. 4601), Congress provided increased flexi-

1 bility to the Department of Defense to modify
2 contracts to provide extraordinary relief due to
3 the effects of inflation.

4 (C) Despite such authority, numerous con-
5 tractors still incurred increased costs for multi-
6 year projects and seek economic price adjust-
7 ments to stay solvent.

8 (2) SENSE OF CONGRESS.—It is the sense of
9 Congress that the Department of Defense should re-
10 imburse low- to mid-tier suppliers for increased pro-
11 duction costs caused from inflation to avoid
12 disincentivizing their participation in Government
13 contracting

14 (b) REPORT.—Not later than June 1, 2027, the Sec-
15 retary of Defense shall submit to the congressional defense
16 committees a report on the plan of the Department to rec-
17 tify legal claims from contractors that seek compensatory
18 relief from inflation.

