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April 16, 2026

The Honorable Elizabeth Warren
311 Hart Senate Office Building
Washington, DC 20510

The Honorable Josh Hawley
381 Russell Senate Office Building
Washington, D.C. 20510

Dear Senators Warren and Hawley,

I write to express strong concerns regarding the proposed *Prioritizing the Warfighter in Defense Contracting Act of 2026* (S. 4212). While we share the goal of ensuring accountability and high performance among defense contractors, we are concerned that this legislation would impose overly rigid and counterproductive constraints that could ultimately undermine the very readiness and innovation it seeks to promote.

The **CHRO Association** is a public policy advocacy organization that represents the most senior human resource officers (CHROs) in nearly 400 of the largest corporations across industries doing business in the United States and globally. Collectively, these companies employ more than 10 million employees in the United States, nearly nine percent of the private sector workforce, and 20 million employees worldwide. Approximately two-thirds of the Association's members are federal contractors, including those operating within the defense industry.

At its core, S. 4212 would codify and significantly expand upon prior executive actions by establishing sweeping financial restrictions on defense contractors unless they meet highly prescriptive performance thresholds. Specifically, the bill would prohibit companies from engaging in stock buybacks, issuing dividends, or providing executive compensation above $5 million annually unless the Department of Defense (DoD) determines that the contractor has met at least 80 percent of specified schedule, performance, and reporting benchmarks.

We are concerned that this approach introduces a number of serious challenges:

**First, the bill adopts an inflexible, one-size-fits-all framework that fails to account for the complexity of defense contracting.** Large-scale defense programs often face shifting requirements, evolving threats, supply chain disruptions, and government-directed changes that can impact timelines and performance metrics. Applying rigid, annualized thresholds without sufficient context risks penalizing contractors for factors beyond their control and discouraging participation in complex, high-risk programs critical to national security.

**Second, the bill's cap on executive compensation is both arbitrary and potentially counterproductive.** Imposing a $5 million annual limit—absent a waiver—fails to account for the highly specialized expertise required to lead complex defense enterprises. This restriction could undermine companies' ability to attract and retain experienced leadership, with downstream impacts on program execution and innovation. Moreover, the bill grants the Defense Secretary sweeping authority to dictate compensation structures at military contractors, raising significant concerns about government overreach into private-sector pay decisions.

**Third, the expanded enforcement mechanisms outlined in the bill are disproportionate and could disrupt critical programs.** The potential for payment withholdings, loss of progress payment eligibility, or contract termination introduces significant operational risk. These penalties, particularly when tied to rigid performance metrics, could have cascading effects across supply chains and delay the delivery of essential capabilities to the warfighter.

**Finally, the bill imposes substantial administrative burdens on the Department of Defense.** Requiring DoD to annually review all contractors with more than $250 million in defense-related revenue and assess compliance against detailed performance criteria would divert resources from mission-critical oversight and program management activities. This process also risks becoming subjective and inconsistent, further exacerbating uncertainty.

Importantly, existing acquisition regulations and oversight mechanisms already provide the DoD with robust tools to address contractor underperformance, including termination for default, past performance evaluations, and incentive-based contracting structures. Rather than layering on additional rigid requirements, Congress should focus on strengthening and effectively implementing these existing tools.

For these reasons, we respectfully oppose the *Prioritizing the Warfighter in Defense Contracting Act of 2026* and will urge lawmakers to reject and vote against bill.

While we recognize our views may differ, we appreciate your consideration. We would welcome the opportunity to meet and discuss this issue further. Please feel free to contact me at Cbirbal@chro.org with any questions or to schedule a conversation.

Sincerely,

Chatrane Birbal

Chatrane Birbal
Senior Vice President, Public Policy & Government Relations
CHRO Association

**cc: Senate Committee on Armed Services**