



DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket ID: DoD-2021-OS-0077]

Notice of Request for Comments on Barriers Facing Small Businesses in Contracting with the Department of Defense

AGENCY: Office of Small Business Programs, Office of the Deputy Assistant Secretary of Defense (Industrial Policy), Department of Defense (DoD).

ACTION: Notice of request for public comments.

SUMMARY: The participation of dynamic, resilient, and innovative small businesses in the defense industrial base is critical to the United States' efforts to maintain its technological superiority, military readiness, and warfighting advantage. In furtherance of its efforts to maximize opportunities for small businesses to contribute to national security, the Department seeks public input on the barriers that small businesses face in working with the Department. This input will be used to update the Department's Small Business Strategy led by the DoD Office of Small Business Programs.

DATES: The due date for submitting comments is [INSERT DATE 45 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments, identified by docket number and title, by any of the following methods:

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

Mail: DoD cannot receive written comments at this time due to the COVID-19 pandemic. Comments should be sent electronically to the docket listed above.

Instructions: All submissions received must include the agency name, docket number and title for this Federal Register document. The general policy for comments and other submissions

from members of the public is to make these submissions available as they are received, without change, including any personal identifiers or contact information for public viewing on the internet at <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Ms. Victoria Mundt, Associate Director, of the Office of Small Business Programs, at (703) 697-0051 or osd.business.defense@mail.mil.

SUPPLEMENTARY INFORMATION:

Background

President Biden issued Executive Order (E.O.) 14017, “America's Supply Chains”; E.O. 13985, “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government”; and E.O. 14036, “Promoting Competition in the American Economy.” E.O. 14017 focuses on the need for resilient, diverse, and secure supply chains to ensure U.S. economic prosperity and national security. E.O. 13985 focuses on identifying potential barriers that underserved communities and individuals may face in taking advantage of agency procurement and contracting opportunities. E.O. 14036 focuses on reviewing the state of competition within the defense industrial base, including areas where a lack of competition may be of concern. In support of E.O.s and through DoD’s Small Business Strategy, DoD is focusing on reducing barriers to entry that can reduce critical manufacturing capacity, competition and the availability and integrity of vital goods, products, and services.

Small businesses play a major role in the DoD’s supply chains, and they allow the U.S. to maintain its technological superiority, military readiness, and warfighting advantages. These companies also play a crucial role in ensuring supply chain resilience. Last year, the Department awarded a record \$80 billion dollars to small businesses through prime contracts, of which over \$30 billion dollars was awarded to small disadvantaged businesses.

Still, over the last decade small businesses in the defense industrial base have decreased by more than 40%. Further, a recent survey of small businesses conducted by the National Defense

Industrial Association found that nearly four out of five (77.3%) businesses reported that the COVID-19 pandemic impacted them, with 85% of those saying the pandemic had negatively affected them. The Department seeks additional insight from the public in understanding the impact of the pandemic, as well as other negative influences, on small businesses in the defense industrial base.

This notice requests comments and information from the public (specifically small business currently in, or interested in becoming part of, the defense industrial base) to assist the DoD in updating its Small Business Strategy.

Written Comments

The DoD is particularly interested in comments and information directed to the policy objectives listed in E.O. 14017, E.O. 14036, and E.O. 13985 as they affect the U.S. and global supply chains. The Department is seeking input from small businesses as well as from those with relevant expertise on the following topics:

- i. Government business practices that might inhibit or deter small businesses' from producing and/or providing goods, services, and materials for DoD requirements, to the detriment of the small business sector and in turn the defense industrial base;
- ii. Regulations and business practices which may strain rather than strengthen the relationship between the Department and small businesses;
- iii. The impact of the Department's major programs to support small business participation in the defense industrial base, specifically, the Mentor-Protégé Program, Indian Incentive Program, Procurement Technical Assistance Centers, the Rapid Innovation Fund, Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR);
- iv. The use of past performance information during the periods of source selection, ongoing performance, and collection of information;
- v. Increasing the Department's utilization of small business innovations;

- vi. The Department's efforts to assist small businesses that seek to do business with the government, including experiences in working with the Department's contracting workforce;
- vii. Contracting timelines and the impact of those timelines on small businesses;
- viii. The availability of skilled labor and other personnel to sustain a competitive small business ecosystem;
- ix. Research, development, and demonstration priorities to support production and an advanced manufacturing base for the Department's requirements;
- x. Policy recommendations or suggested executive, legislative, regulatory action to foster more resilient supply chains, greater competition in the defense industrial base, and/or more small business participation during the procurement process;
- xi. Any additional comments from small businesses relevant to the assessment of supply chain resilience required by E.O. 14017, E.O. 14036, and E.O. 13985.

The DoD encourages respondents to structure their comments using the same text above as identifiers for the areas of inquiry to which they are responding. This will assist the DoD in more easily reviewing and summarizing the comments received in response to these specific areas. For example, a commenter submitting comments responsive to (i), "Government business practices that might cause deterioration in capabilities, to the detriment of the small business sector and in turn the defense industrial base," would use that same text as a heading in the public comment followed by the commenter's specific comments in this area. The Department encourages the use of an Executive Summary at the beginning of all comments and information to affect a more efficient Departmental review of the submitted documents.

Requirements for Written Comments

The <http://www.regulations.gov> website allows users to provide comments by filling in a "Type Comment" field, or by attaching a document using an "Upload File" field. The DoD prefers that comments be provided in an attached document. The Department prefers submissions in Microsoft Word (.doc files) or Adobe Acrobat (.pdf files). If the submission is provided in a

format other than Microsoft Word or Adobe Acrobat, please indicate the name of the application in the “Type Comment” field. Please do not attach separate cover letters to electronic submissions; rather, include any information that might appear in a cover letter within the comments. Similarly, to the extent possible, please include any exhibits, annexes, or other attachments in the same file, so the submission consists of one file instead of multiple files. Comments (both public comments and non-confidential versions of comments containing business confidential information) will be placed in the docket and open to public inspection. Comments may be viewed on <http://www.regulations.gov> by entering docket number DoD-2021-OS-0077 in the search field on the home page.

All filers should name their files using the name of the person or entity submitting the comments. Anonymous comments are also accepted. Communications from agencies of the United States Government will not be made available for public inspection.

Anyone submitting business confidential information should clearly identify the business confidential portion at the time of submission, file a statement justifying nondisclosure and referring to the specific legal authority claimed, and provide a non-confidential version of the submission. The non-confidential version of the submission will be placed in the public file on <http://www.regulations.gov>. For comments submitted electronically containing business confidential information, the file name of the business confidential version should begin with the characters “BC.” Any page containing business confidential information must be clearly marked “BUSINESS CONFIDENTIAL” on the top of that page. The non-confidential version must be clearly marked “PUBLIC.” The file name of the non-confidential version should begin with the character “P.” The “BC” and “P” should be followed by the name of the person or entity submitting the comments or rebuttal comments. If a public hearing is held in support of this assessment, a separate Federal Register notice will be published providing the date and information about the hearing. The Office of the Deputy Assistant Secretary of Defense (Industrial Policy) does not maintain a separate public inspection facility. Requesters should first

view the Department's web page, which can be found at <https://open.defense.gov/> (see "Electronic FOIA" heading). The records related to this assessment are made accessible in accordance with the regulations published in part 4 of title 15 of the Code of Federal Regulations (15 CFR 4.1 through 4.11).

Dated: September 1, 2021.

Aaron T. Siegel,

Alternate OSD Federal Register

Liaison Officer, Department of Defense.

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