

May 14, 2012

HASC Communications (202) 225-2539

## Fact Sheet: Small Business and the FY13 NDAA

### *Improving the Relationship between the Pentagon and the Defense Industrial Base*

The FY13 National Defense Authorization Act (NDAA) is critical piece of legislation that sets priorities and policy for U.S. national security. In addition to providing funding for the Armed Forces, this year's bill reforms the way the Defense Department interacts with the private sector, opening more opportunities for small businesses, increasing competition, and spurring innovation.

Chairman Howard P. "Buck" McKeon (R-Calif.) said of the improvements: "Our military relies on a strong defense industrial base. As the Defense Department resets after a decade of war, we need to make certain that we maximize value out of every penny that goes to Pentagon purchasing programs. These reforms will help streamline what has traditionally been a cumbersome process."

"Small businesses are an important part of our national defense, and an important part of our economy and we should be doing everything we can to support their growth," Ranking Member Adam Smith (D-Wash) said. "I am pleased to see that many of the reforms built into this year's National Defense Authorization Act, which were incorporated on a bipartisan basis, do just that."

Drawing on the work of the House Armed Services Committee's Panel on Business Challenges within the Defense Industry led by Reps Bill Shuster (R-PA) and Rick Larsen (D-WA); the FY13NDAA seeks to eliminate barriers that have prevented small and medium sized businesses from competing for Pentagon contracts.

#### **Requires the Secretary of Defense to report to Congress on areas of risk within the defense industrial base**

The Chairman's mark emphasizes the importance of identifying to Congress supply and logistical risks early within the base, so that they may be properly mitigated. This assists the both the Pentagon and Congress with long-term planning, identifies potential problems like overreliance on foreign sourcing and single points of failure, and would aid in the creation of a national security strategy for the defense industrial base.

#### **Requires the Secretary of Defense to develop a national security strategy for the defense industrial base**

Our national security rests on our Armed Forces, but also the equipment they use to keep us safe. The FY13NDAA mandates that the Secretary of Defense develop a top line national security strategy for the defense industrial base, to avoid redundancy, maximize value from the taxpayer dollar, and prevent failures and cost overruns.

#### **Eliminates Obstacles to Small Business Competition for Defense Department Contracts**

The FY13NDAA directs the Secretary of Defense to improve the Pentagon's relationship with small business. That includes designating DoD officials to advise Pentagon auditing agencies on small business concerns, providing a point of contact for small businesses within the Defense Department, and establishing new goals for procurement contracts awarded to small business

###

**COURTESY OF HOUSE ARMED SERVICES COMMITTEE  
CHAIRMAN BUCK MCKEON (R-CA)**