

**NSBA DFARS Comments Submission | 15 Oct. 2024**  
**Via Email | Rachel Grey, Director of Research and Regulatory Affairs**

To Whom It May Concern:

On behalf of the National Small Business Association (NSBA), the oldest advocacy organization for America's small businesses, we thank you for the opportunity to submit these comments on the Defense Acquisition Regulations System's proposed amendments to the DFARS to incorporate contractual requirements related to the proposed CMMC 2.0 program rule ("Proposed Rule"), which we believe may undermine DoD's stated goal of expanding and diversifying the industrial base.

While NSBA believes that combatting the shifting tactics of threat actors is critical, we are concerned that the Proposed Rule lacks clarity on certain key small-business issues and will diminish small-business participation in the defense industrial base (DIB). As such, if implemented, the Proposed Rule's costly compliance requirements would unduly burden small businesses.

NSBA is concerned about the Proposed Rule's lack of clarity regarding certain key issues that disproportionately impact small businesses. For example, the Proposed Rule fails to address whether cyber-consulting services for contractors and subcontractors would be required to comply. Additionally, while the Proposed Rule sets out requirements for third-party assessments for those companies that would need to comply with Level 2 and above, it fails to address how third-party assessments would be feasible for smaller companies.

In the U.S., there are just over 50 certified assessors qualified to conduct the third-party assessments mandated by the Proposed Rule. While the services of these assessors may be within reach for larger companies, this requirement fails to account for those contractors and subcontractors that are not as well resourced. Failing to address this issue may result in "pseudo-assessments" that would be contrary to the very objectives around which CMMC 2.0 was designed.

Moreover, America's small businesses are at the forefront of innovation, making them critical assets to the DIB. NSBA applauds DoD's [stated intent](#) to better integrate small businesses into the DIB, but we are concerned that the Proposed Rule undermines this goal.

For example, in May 2023, the Defense Logistics Agency (DLA) released [data](#) demonstrating small-business loss in the DIB; of DLA's roughly 3,000 lost vendors between 2016 and 2022, 2,300 of those lost vendors were small businesses. If implemented, the Proposed Rule would exacerbate small-business loss within the DIB due to the sizable upfront costs (by some estimates, potentially \$150,000 for implementation), costs that do not even guarantee the award of a contract.

In DoD's January 2023 [Small Business Strategy](#), the Department outlined its approach to leverage U.S. small businesses to expand the DIB and improve DoD-small business engagement. As part of this strategy, DoD [acknowledged](#) the importance of reducing barriers and creating more opportunities to participate in defense acquisitions. The Proposed Rule as it stands would increase these barriers and undermine small-business opportunity in the DIB. For these reasons, NSBA encourages DoD to further consider and account for small-business needs; an approach to implementing CMMC 2.0 that fully accounts for such needs will provide immeasurable benefit to DoD, allowing for the Department to leverage the best of U.S. innovation.

Thank you again for this opportunity to submit these comments. Please do not hesitate to reach out to me if you have any questions.