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Hill Panel To Unveil Plan For Helping Defense Industry In Days

By Emelie Rutherford

A special House panel will propose a series of recommendations by the end of next week for helping smaller companies compete for Pentagon contracts, its members said yesterday.

The House Armed Services Committee (HASC) Panel on Business Challenges in the Defense Industry held its final roundtable discussion with defense firms yesterday and is finalizing a report with recommended legislation that is due by March 10, Chairman Bill Shuster (R-Pa.) told reporters. They hope proposed legislative changes will be included in the HASC's version of the fiscal year 2013 defense authorization bill, which the committee will unveil this spring.

"I think one of the things I've come away with is that six months is not enough and I think we've sort of just been through the first layer, and I think there's a lot more for us to learn before we can really significantly change how business is done over at the Pentagon with these small businesses," Shuster said, "because there are a lot of people out there who have a lot of great ideas, a lot of great innovations are coming from small and medium-sized businesses."

The panel spent six months investigating barriers small and mid-sized businesses face entering and competing in the defense industry.

During a press conference yesterday, panel members cited areas they would like to address in the report, but did not provide details and noted some issues are out of the HASC's jurisdiction.

For example, Shuster said he wants to ameliorate problems companies have with transitioning from the second to third phase of the Small Business Innovation Research (SBIR) program, after the final funding is awarded and companies move the technology to the marketplace. However, that matter is not fully within the HASC's purview.

Still, the SBIR issue is a concern to smaller defense contractors and will likely be cited in the report, panel Ranking Member Rick Larsen (D-Wash.) said.

The panel members also want to address companies' concerns with International Traffic in Arms Regulations, Larsen said. Again, though, the matter is not one the HASC would fully address in legislation, because of congressional committee jurisdictional conflicts.

Panel members also acknowledged to reporters the concerns they have heard from smaller businesses that feel they are harmed by government auditing requirements and the bundling of contracts. Rep. Colleen Hanabusa (D-Hawaii) also highlighted yesterday her concerns about the overall "sustainability" of the defense industry.

The panel held hearings as well as roundtables with business and research officials in California, Washington, New Jersey, Illinois, and Florida. Its members include Reps. Jon Runyan (R-N.J.), Allen West (R-Fla.), Robert Schilling (R-Ill.), and Betty Sutton (D-Ohio).