

United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

April 2, 2009

VIA FACSIMILE & FIRST-CLASS MAIL

The Honorable Carl Levin
Chairman
Armed Services Committee
United State Senate
Room SR-228, Russell Senate Office Building
Washington, D.C. 20510-6050

The Honorable John McCain
Ranking Member
Armed Services Committee
Room SR-228, Russell Senate Office Building
United States Senate
Washington, D.C. 20510-6050

RE: Weapons System Acquisition Reform Act of 2009

Dear Chairman Levin and Ranking Member McCain:

I am writing in support of the Weapons System Acquisition Reform Act of 2009 (S. 454). As the Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, my job is to not only foster the startup and growth of small businesses, but also to protect their interests and rights. This bill would go a long way towards achieving that goal in the weapons system acquisition process.

In particular, I support Section 205, "Organizational Conflicts of Interest in the Acquisition of Major Weapon Systems," and Section 203, "Maximization of Competition Throughout the Life Cycle of Major Defense Acquisition Programs." Over the last couple of years, the Committee has received several complaints in which small businesses were unfairly penalized or hurt in the Department of Defense (DoD) procurement process due to a lack of independent or objective advice on matters involving major weapon systems. There have also been small businesses punished by unfair and biased "make-buy" decisions by prime contractors on major weapons systems.

One of the most disturbing of these conflict of interest situations involves a small, high-technology firm based in Colorado named NavSys Corporation. With the help of the Small Business Innovation Research (SBIR) program, NavSys and its CEO Dr. Alison Brown developed technology for a GPS navigation system to help the Air Force meet accuracy requirements for the Small Diameter Bomb. The government found the

technology so helpful it was put into theater within one month after the initial system trials. When it came time to transition this system into the GPS program, the Air Force asked the Prime contractor to assess whether NavSys's technology should be used. In making the assessment, there are at least two problems: 1) the Prime contractor had a conflict of interest in determining whether the small business should get the contract or whether the Prime contractor should do it themselves, in-house, which they ultimately decided. 2) The Air Force may have given the data rights for NavSys' technology to the Prime contractor as part of the assessment process. This process has almost put NavSys out of business, and may have permanently harmed them by giving away their successful technology to a competitor. Section 205 of the Act helps address conflict of interest issues like these in a direct and effective manner, providing protection to small businesses while eliminating waste and inefficiency within the DoD.

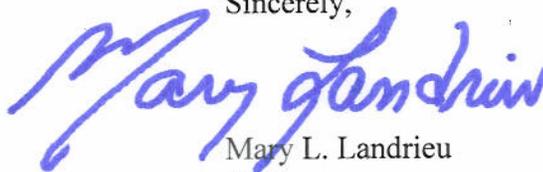
The Organizational Conflict of Interest Review Board, established in Section 205, would also provide an important oversight and advisory role in preventing conflicts of interest in the acquisition of major weapons systems and in proposed mergers of defense contractors. By giving DoD officials access to the advice and tools needed to prevent improper conflicts of interest, the board would help reassure small businesses that they will have a fairer playing field for their technologies and services to compete.

Through Section 203, the Act has additional measures that would play an important role in maximizing competition for each major defense acquisition program at both the prime contract level and the subcontract level. The aim of increased competition for these programs is always good for small business because it creates more potential opportunities for them to participate.

Thank you for proposing this important legislation on weapons systems acquisition reform and for making the eradication of conflicts of interest and the maximization of competition in the procurement process two of its centerpieces. It is an important bill for small business, and it will certainly maximize resources and innovation at the DoD. Please let me know if I can do anything to assist you in the passage of this bill.

With warmest regards, I am

Sincerely,



Mary L. Landrieu
Chair