



July 3, 2025

Mr. Mathew Blum
Acting Administrator
Office of Federal Procurement Policy
Office of Management and Budget
Washington, DC 20503

Subject: Feedback on Federal Acquisition Regulation Overhaul – Parts 1, 10, & 34

Dear Mr. Blum,

On behalf of America's most cutting-edge and effective aerospace and defense companies, the Aerospace Industries Association (AIA) applauds this Administration's proactive efforts to streamline regulatory requirements, including the effort to overhaul the Federal Acquisition Regulation (FAR). Today's regulatory regime imposes undue costs and complexities on businesses of all sizes and is frequently cited as a key reason companies avoid doing business with the government. A concerted effort to reduce these requirements will help lower barriers to entry, unleash innovation, and increase the speed at which the government operates.

To support this overarching deregulation effort, and in response to the Office of Management and Budget's request for public comment on burdensome regulations, our industry identified over 50 regulatory requirements that are particularly cumbersome and disincentivize companies seeking to do business with the government.¹ Of note, the majority of these requirements stem from the FAR or the Defense Federal Acquisition Regulation Supplement (DFARS). As such, we remain particularly supportive of the effort to modernize and streamline the FAR and DFARS and are hopeful this input will help inform the ongoing revisions.

We also appreciate the opportunity to provide informal feedback throughout the FAR Overhaul process ahead of formal rulemaking in the fall. In response to the proposed changes contained within the model deviation guidance for FAR Part 1, Part 10, and Part 34, AIA submits the comments below. Additionally, we offer an overarching comment that we ask the FAR Council to keep in mind as revisions to the FAR and agency supplements are contemplated: to-date, the proposed revisions eliminate several references to the importance of competition, fair opportunity, and broad-based industry participation in procurement actions. While we understand this may simply be an effort to streamline content, as written, the revisions could inadvertently be interpreted by agencies as deemphasizing competition. Consistent with statutory intent (i.e., the Competition in Contracting Act of 1984), we believe competition among responsible parties yields cost savings for the government, spurs innovation, improves quality and performance, and strengthens a broader industrial base. Any departures from the FAR's stated preference for competition – even in the pursuit of streamlining – may create an impression that competition is no longer a key cornerstone of the federal procurement process. As such, AIA recommends that any discussion of the importance of open and robust competition be retained within the FAR and its agency supplements.

¹ OMB-2025-0003-0001, Request for Information: Deregulation

FAR Part 1: Federal Acquisition Regulations System

1. **Regulatory Sunset:** The revised FAR Part 1 introduces a “regulatory sunset” requirement that voids non-statutory FAR provisions and clauses after four years. While AIA supports efforts to combat regulatory creep, AIA is very concerned that this mechanism will create confusion and significant contract administration challenges, particularly if provisions or clauses expire during a contract period of performance. AIA requests clarity regarding the implications of sunseting clauses, including:
 - Does sunseting specific FAR sections implicate the Administrative Procedures Act (Chapter 5 of Title 5 United States Code (USC))? If so, will a public comment opportunity be required?
 - How will the FAR Council operationalize the four-year expiration timeline? Will the government identify the sections scheduled to sunset or be renewed?
 - Will industry be consulted prior to the expiration of any sections that impact contract performance, cost structures, or flow-down obligations?
 - Will there be a waiver or exception process for FAR sections determined necessary but are not based in statute? For example, there are several FAR clauses that are not set by statute but are significantly useful to both the government and industry in the administration of contracts, such as Limitation of Funding provisions.
 - Will the four-year regulatory sunset requirement also apply to agency supplements, including the DFARS? How will the sunsets be synchronized across the FAR and agency supplements?

Without the benefit of the clarification requested above, AIA recommends FAR Subpart 1.109 expressly state which sections are/are not subject to the regulatory sunset and identify the next date of expiration or renewal. AIA also recommends the government solicit public comments on sunseting sections at least 180 days in advance to ensure potential implications of sunseting contract provisions and clauses can be adequately assessed and mitigated by the government, as appropriate.

2. **Communication with Industry:** The revised FAR Part 1 eliminates language which encourages robust communication with industry early in the acquisition cycle. Robust communication between industry and the government at the earliest stages of an acquisition effort is essential for accurately defining requirements, mitigating risks, understanding capabilities, and ensuring solutions meet operational needs. This collaboration helps streamline the acquisition process, reduce costs, and enhance the likelihood of successful project outcomes. As such, AIA recommends similar language be retained to ensure these types of exchanges are not inadvertently minimized moving forward (Citation: original FAR Subpart 1.102-2 Performance standards).
3. **Public Comment Process:** While the revised FAR Part 1 retains the public comment period as required by 41 USC 1707, it eliminates explicit discussion of both the timelines associated with the public comment process and exceptions to the process. While these timelines and exceptions are stated at 41 USC 1707, inclusion in the FAR would be beneficial for clarity and ease of understanding for both the government acquisition workforce and companies operating in the federal marketplace. As such, AIA recommends the timelines and exceptions be retained in the FAR (Citation: original FAR Subpart 1.501-2 Opportunity for public comment; original FAR Subpart 1.501-3 Exceptions).

The revised FAR Part 1 also eliminates discussion of public meetings to solicit additional views and discussion on proposed FAR changes. As these meetings are beneficial to both parties and are particularly important when significant FAR revisions are contemplated, AIA recommends retaining this language (Citation: original FAR Subpart 1.503 Public meetings).

Lastly, the revised FAR Part 1 retains the requirement that internal agency guidance does not need to be published in the Federal Register for comment unless the agency guidance has a “significant effect” beyond the internal operating procedures or the agency or creates an additional significant cost or administrative impact on contractors or offerors. However, it eliminates language that provided additional context as to what changes may have a “significant effect.” For clarity, AIA recommends retaining the original language which provided additional context regarding what may constitute a “significant effect.” (Citation: original FAR Subpart 1.501-1 Definitions).

4. **Delegation of Authority and Deviations:** The revised FAR Part 1 includes new language that requires decision authority to be delegated to the lowest level while also allowing acquisition team members to propose deviations from the FAR if such deviation would promote “economy, efficiency, or innovation.” AIA is concerned that delegating decisions to the lowest level while simultaneously allowing deviations could lead to inconsistent application of requirements and an expansion of unique rules and regulations. AIA recommends the government consider implementing oversight mechanisms to mitigate against arbitrary and inconsistent decision making and an ever-growing number of FAR deviations, which inject additional complexity into the system and are counter the Administration’s goal to simplify the FAR.
5. **Bid Evaluation Factors:** The revised FAR Part 1 eliminates from the guiding principles section discussion of “best value” products and use of contractors “who have a track record of successful past performance.” These long-standing principles are vital to ensuring procurements consider both cost and contractor reliability. AIA requests clarity on how bids will be evaluated if best value and past performance are no longer key considerations.
6. **Supplemental External Guidance:** In several places, the revised FAR Part 1 references external “guidance” or “guides” and includes a placeholder for a link to where acquisition guides will be housed online. As a key goal of the FAR revision is to eliminate non-statutory guidance and simplify the FAR, AIA recommends that any mention of non-regulatory external buying guides or guidance be removed from the FAR, including at the revised FAR Subpart 1.101(a) and FAR Subpart 1.101(a)(3).

FAR Part 10: Market Research

1. **Modifying Agency Requirements:** The revised FAR Part 10 includes new language which requires agencies to determine if “requirements could be modified so the agency could use an existing governmentwide contract.” While AIA supports efforts to leverage existing contracting vehicles to maximize efficiency, we caution against modifying requirements to fit the specifications of an existing contract. Requirements should be developed based on the needs of the government, not based on what contracts are currently in place for commercial products or services. To ensure requirements are

developed based on the government's legitimate capability needs, and to ensure fairness, equity, and robust competition, AIA recommends eliminating the new language at revised FAR Subpart 10.001(f)(2).

2. **Consideration of Prior Contracts to Satisfy Agency Requirements:** The revised FAR Part 10 includes new language which states that agencies must consider whether "a commercial product or commercial service on an existing governmentwide contract can meet the agency's requirements." AIA supports efforts to maximize procurement and commercial goods and services and recommends the language at revised FAR Subpart 10.001(f)(1) be expanded to also require agencies to consider if *prior* governmentwide contracts for commercial goods or services could meet the agency's requirements.

FAR Part 34: Major System Acquisition

1. **Communication with Industry:** The revised FAR Part 34 eliminates language which encourages robust communication with industry pre-solicitation. Advance notification of solicitation and industry participation in the pre-award phase, to include in pre-solicitation conferences, is a critical part of the procurement process. These activities can improve requirements clarity, encourage competition, enhance market research, strengthen industry-government relationships, and highlight potential barriers or challenges industry may anticipate. As such, AIA recommends similar language be retained to ensure these types of exchanges are not inadvertently minimized moving forward (Citation: original FAR Subpart 34.005-2(a)(1) Mission-oriented solicitation).
2. **Costs Associated with Testing and Qualifying Title III of the Defense Production Act (DPA) Resources:** The revised FAR Part 34 indicates the government "will *generally* pay" for any testing and qualification required for the use or incorporation of industrial resources manufactured or developed under Title III of the DPA. This is counter to the government's long-standing policy to pay for such testing and qualification. The revised language provides the government with the discretion to refuse to pay but does not provide any guidance as to the factors it may consider when determining whether a contractor should bear the testing and qualification costs. This, coupled with the fact that the revised language no longer requires contracting officers to consult with the DPA Office, Title III Program when considering Title III payment requests, creates concern that the decision of whether a contractor is entitled to testing and qualification costs may be decided inconsistently on a case-by-case basis. This uncertainty may deter contractors from using Title III-backed components. AIA recommends the government retain the original language, which stated "it is the policy of the government, as required by Section 126 of Public Law 102-558, to pay for any testing and qualification required for the use or incorporation of the industrial resources manufactured or developed under Title III of the DPA" (Citation: original FAR Subpart 34.102 Policy).
3. **Earned Value Management System (EVMS) Compliance:** The revised FAR Part 34 eliminates language which previously stated "if the offeror proposes to use [an Earned Value Management] system that has not been determined to be compliant with the Electronic Industries Alliance Standard 748 (EIA-748), the offeror shall submit a comprehensive plan for compliance with these EVMS standards. Offerors shall not be eliminated from consideration for contract award because they do not have an EVMS that complies with these standards." AIA is concerned that, without this caveat, agencies will have no choice but to remove a contractor from competition when EVMS is a requirement and an offeror does not have a compliant system pre-award. This could have the effect of

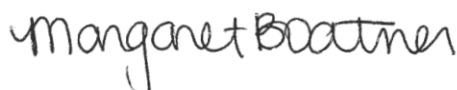
excluding offerors from consideration for contract award without any discussion or opportunity to make their proposed plans compliant, limiting competition and further reducing the number of companies operating in the defense industrial base. AIA recommends the original language be retained in FAR Subpart 34 to ensure offerors are not inappropriately eliminated from consideration and are given an opportunity to correct any noncompliance prior to award (Citation: original FAR Subpart 34.201(b)).

4. **EVMS Reporting Cadence:** The revised FAR Part 34 requires that, for contracts with EVMS requirements, contractors must submit monthly EVMS reports. EVMS reporting is a time and resource intensive process, and requiring monthly reports imposes a significant burden on the industrial base. AIA recommends the standard monthly requirement be eliminated, and instead, contracting officers be able to determine the appropriate reporting cadence based on the unique characteristics of the contract, not to exceed reporting monthly.
5. **EVMS Contract Clause:** The revised FAR Part 34 requires that agencies insert a clause “substantially the same as the clause at FAR 52.234-4” in any solicitations and contracts that require a contractor to use an EVMS. AIA is concerned that allowing agencies to include clauses that are “substantially the same” as FAR 52.234-4 will increase the number of agency-created “non-standard” clauses, which result in multiple, differing requirements across the federal government and increase the complexity of doing business with the government. AIA recommends requiring use of the standard clause found at FAR 52.234-4 for contracts where EVMS is required.
6. **Integrated Baseline Reviews (IBR):** The revised FAR Part 34 includes a single statement requiring that an IBR be conducted when the acquiring agency uses EVMS; this replaces prior language which discussed the timing of IBRs pre- and post-award. While additional flexibility afforded by the revision is appreciated, AIA recommends that clause at FAR 52.234-4 be updated to allow contracting officers to identify whether the IBR will be conducted pre- or post-award. This will allow contractors to appropriately plan for the IBR.

Again, AIA applauds efforts to streamline, simplify, and modernize the federal procurement process. AIA and its member companies stand ready to partner with the Office of Management and Budget on the FAR Overhaul, and we look forward to reviewing and providing feedback on the revised FAR Parts as the effort progresses.

Thank you in advance for considering our views. Please direct any questions to the undersigned at margaret.boatner@aia-aerospace.org or 703-358-1085.

Sincerely,



Margaret Boatner
Vice President, National Security Policy