



August 8, 2025

Dr. Jacqueline Charles, Associate Director,
Department of Defense
Office of Small Business Programs
Washington, DC 20503
Docket Number: DOD-2025-OS-0018

Subject: Response to Request for Information on Executive Order 14265, Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base

To Whom it May Concern:

The U.S. Chamber of Commerce (“the Chamber”) appreciates the opportunity to respond to the Department of Defense’s (DoD) Request for Information (RFI) regarding Executive Order 14265, “Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base,” as published through the link <https://www.regulations.gov/document/DOD-2025-OS-0018-0001>.

The Chamber commends the Administration and the Department of Defense for their commitment to strengthening the U.S. defense industrial base and fostering innovation, particularly in addressing the unique challenges faced by small businesses. Small businesses are critical to the defense supply chain, and their ability to access affordable and predictable capital is essential to ensuring the resilience and competitiveness of the industrial base.

One impactful measure the DoD can take to support small businesses is to expand upon the benefits realized through the Prompt Payment Act of 1982 and allow invoicing, where practicable, for all contracts within 30 days. Small businesses should not have to wait more than 30-days to invoice even when the contract is based on phases or other milestones that stretch beyond a 30-day time frame. Further, we recommend that DoD adopt the Prompt Payment Act’s recommendation for payment within 15-days of invoicing. We believe that this change will benefit defense contractors of all sizes, but particularly small businesses.

Many small businesses lack access to venture capital and often rely on lending products that impose high fees and require personal and business assets as collateral

to fund their working capital and make weekly payroll. This creates significant financial risks for business owners, particularly when contract execution does not proceed as planned.

Allowing monthly billing, which is a standard practice in the private business sector, would mitigate these risks by ensuring that the only asset at stake is the invoice to the government. This change would also enhance cash flow predictability, thereby increasing the availability of competitive private capital for small businesses.

This adjustment does not require new legislation or regulations. The Federal Acquisition Regulation already provides contracting officials with the authority to establish invoicing procedures and frequency. The 30-day invoicing requirement set by the Prompt Pay Act is already working for the majority of firm fixed contracts and can be expanded to other types of contracts within DoD's authority. We recommend that the DoD focus on educating and empowering contracting officials to implement this practice.

The Chamber welcomes further engagement with DoD to continue to discuss additional measures that can enhance the participation of small businesses in the defense industrial base. Collaboration and open dialogue are essential to ensuring that the policies and practices adopted under Executive Order 14265 achieve their intended objectives.

Thank you for the opportunity to provide input on this important matter. We look forward to continuing to work with the Department of Defense to strengthen the U.S. industrial base and advance our national security objectives.

Sincerely,

A handwritten signature in blue ink that reads "John Neal". The signature is written in a cursive, flowing style.

John Neal
Vice-President, Space Policy
Cyber, Space and National Security Division
U.S. Chamber of Commerce