



INTERNATIONAL SIGN ASSOCIATION

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June 22, 2002

VIA Facsimile 703-602-0350

Ms. Susan L. Schneider
Defense Acquisition Regulations Council
OUSD (AT&L) DP (DAR)
IMD 3C132
3062 Defense Pentagon
Washington, DC 20301-3062

RE: DFARS Case 2002-2003
Applicability of the Regulatory Flexibility Act, 5 U.S.C. 601. et/seq,

Dear Ms. Schneider:

The International Sign Association (ISA) is an 1,800 member organization composed of manufacturers, users, and suppliers of on-premise signs and sign products produced by more than 40,000 employees in all 50 states and 69 foreign countries. Most of our members are classified as small businesses. ISA exists to support, promote and improve the \$30 billion-a-year sign industry, which sustains the nation's nearly \$3 trillion-a-year retail industry.

We believe that Section 811 can have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601. et/seq, because the rule will permit small business concerns to compete with the Federal Prison Industries (FPI) for Department of Defense (DOD) contract awards. Along with DOD's flexibility to go to the market, America's small businesses will benefit. In 2001 alone, FPI generated over \$583 million in revenue—60% of its sales were to the DOD including products as diverse as clothing, furniture and electronics. Small business will be provided access to a significant number of DOD contracts previously unavailable to them under FPI's mandatory source requirement.

We also appreciate the opportunity to comment on interim rule of DFARS rule implementing Section 811 of the National Defense Authorization Act for Fiscal Year 2002, as published in the Federal Register on April 26, 2002 (67 Fed.Reg.20687). ISA agrees and strongly supports the interim rule and recommends that it be made final. We would also like to recommend that any final regulation is explicit by stating that a waiver from FPI is not required if the market research reflects that FPI's prices, quality and time of delivery is not comparable.

The intent of Section 811 is to provide the DOD with maximum flexibility to procure quality products in a timely and cost effective manner. Both the statute and the interim rule are clear: FPI may only provide products to the DOD only after the DOD determines that such products meet the Department's needs and are comparable to those available in the private sector. Agencies and departments of the DOD are required to conduct market research before purchasing a product listed in the FPI Schedule to determine whether the FPI product is comparable in price, quality, and time of delivery of products available in the private sector.

ISA supports the exclusion of any language in the interim or final rule that would provide FPI with the authority to either grant a waiver to conduct or to approve DOD's market research evaluation. ISA supports the current language of Section 208.602 (a) that states in part that DOD departments and agencies can make a "unilateral decision..solely at the discretion of the department or agency." The intent of Section 811 is to provide DOD with maximum flexibility to procure quality products in a timely and cost effective manner.

We encourage adoption of the interim rule with additional language that is explicit by stating that a waiver from FPI is not required if the market research reflects that FPI's prices, quality and time of delivery is not comparable.

Sincerely,



E.G. (John) Johnson, CAE
President & CEO
The International Sign Association



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RE DFARS Case 2002-2003
Defense Federal Acquisition Regulation Supplement; Competition Requirements
for Purchases from a Required Source

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