

Advocacy Urges DOD to Reconsider Impact of Interim Cybersecurity Rule on Small Businesses

On February 29, 2016, the Office of Advocacy (Advocacy) published a public comment on the Department of Defense's (DOD) amended interim rule regarding cybersecurity requirements under the Defense Federal Acquisition Regulation Supplement (DFARS).

- On August 26, 2015, DOD published a rule amending DFARS to implement security requirements specified by a National Institute of Standards and Technology Special Publication, "Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations" (NIST SP 800-171).
- NIST SP 800-171 focuses on minimum standards and best practices for fourteen "Security Requirement Families," including access, incidence response, and assessments of information systems and security controls. NIST SP 800-171 provides a detailed list of basic and derived security requirements federal contractors need to employ to meet each of the standards.
- On December 30, 2015, the Department of Defense (DOD) published an amended interim rule in the *Federal Register* that provided large and small contractors with more time to bring their companies into compliance with a DOD rule.
- Advocacy is concerned that the cost of compliance with DOD's interim rule will be a significant barrier to small businesses engaging in the federal acquisition process.
- Advocacy is also concerned that DOD has not included both small business prime contractors and small business subcontractors when estimating the number of small businesses impacted by the interim regulation.
- Advocacy recommends that DOD should include small businesses serving as prime contractors and as subcontractors in their estimation of the number of impacted small entities.
- Advocacy also recommends that DOD consider significant alternatives, such as collaborating with universities or other organizations to provide low-cost cybersecurity services to small businesses, or provides a one-time subsidy to small businesses to help cover the cost of initial consultations with third-party vendors.

For more information, please visit Advocacy's website at www.sba.gov/advocacy, or contact Assistant Chief Counsel Major Clark III at major.clark@sba.gov or 202.205.7150.