



**Weekly Report for July 20, 2018**

**SMALL BUSINESS ADMINISTRATION**

**504 Loan Program Rural Initiative: Waiver of Limitation on Lending Authority**

According to an article in [amazonaws.com](http://amazonaws.com), the U.S. Small Business Administration (SBA) announced the 504 Loan Program Rural Initiative Pilot Program (504 Rural Pilot). The 504 Rural Pilot waives the restrictions on the authority of Certified Development Companies (CDCs) to make 504 loans outside their Area of Operations to allow each CDC to make loans for 504 Projects with an address located in any rural county if the 504 Project is located in the same SBA Region in which the CDC is incorporated. This pilot will provide rural small businesses with increased opportunities to access capital and will further the statutory public policy goal of the 504 Loan Program to achieve rural development impact.

**Contracting with Small Disadvantaged Businesses and Those Owned by Minorities and Women Has Increased in Recent Years**

According to an article on [GAO.gov](http://GAO.gov), the federal government is one of the country's largest advertisers, spending nearly \$1 billion annually on advertising contracts. As it does for virtually all of the products and services it buys, the government seeks to provide procurement opportunities for these contracts to certain socially and economically disadvantaged small businesses and to businesses of any size owned by minorities and women. It was found that the government has generally directed an increasing share of its advertising contract dollars to these businesses, averaging about 13 percent over the past five years.

**DEFENSE DEPARTMENT**

**In Pursuit of Innovative Technologies, Department of Defense Creates Another Pathway Around Traditional Acquisition Rules**

Amid the hype over its growing use of Other Transaction Agreements (OTAs), the Defense Department is taking yet another step into unorthodox contracting methods as it pursues more participation from non-traditional vendors. As part of a four-year pilot program, the Pentagon issued new rules that will let its contracting officers move through streamlined acquisition processes when they're buying "innovative" commercial goods and services. Much like the department's burgeoning use of OTAs, they will allow the Department of Defense (DoD) to make purchases without issuing traditional requests for proposal and conducting formal competitions. But unlike OTAs, those purchases won't be restricted mainly to prototypes. And the term "innovative" is fairly broad, under the June 26 guidance DoD published, known as a class deviation. It sweeps up any commercial "technology, process, or method, including research and development, that is new as of the date of submission of a proposal, or any application that is new as of the date of submission of a proposal of a technology, process, or method." For more information, please visit [here](#).

## **WHITE HOUSE**

### **U.S. Plans ‘Continuous Evaluation’ of New and Existing Security Clearances**

According to an article on [govexec.com](http://govexec.com), when the Pentagon starts handling all federal security clearances this fall, it will usher in a brand-new approach to figuring out who can be trusted with dangerous secrets. Whereas the Office of Personnel Management performed an initial background check on individuals who requested clearances, then reviewed its findings every five or ten years, the Defense Department will move toward a more automated “continuous evaluation,” after the initial check, beginning in October, a Department of Defense official told reporters. After an applicant passes their initial screening, they’ll be incorporated into a system in which software continuously scours open-source information — court proceedings, financial data, and more — looking for signs that the person might be turning into a security risk.

### **White House, House lawmakers want to give Department of Defense’s IT oversight authorities to all agencies**

The White House and House Homeland Security Committee members are developing new legislation to add more rigor to how agencies oversee the technology they buy and use. The Trump administration sent a legislative proposal to the Hill this week, which recommends giving every civilian agency the same authorities Congress gave the Defense Department in 2011 to better manage its supply chain. The proposal, called Federal Information Technology Supply Chain Risk Management Improvement Act of 2018, would do several things, including establishing a Federal IT Acquisition Security Council and a Critical IT Supply Chain Risk Evaluation Board, and provide agencies with authorities to mitigate supply chain risks when buying technology products and services. At the same time, committee lawmakers are working on similar legislation to bring all agencies up to the same level as the Department of Defense and the intelligence community. For more information, please visit [here](#).

## **LABOR AND EMPLOYMENT**

### **Court rules against Trump administration on transgender military ban**

According to an article on [thehill.com](http://thehill.com), an appeals court on Wednesday ruled against the Trump administration and upheld a court order stalling a ban on transgender individuals serving in the military. The U.S. Court of Appeals for the 9th Circuit upheld a block on the implementation of the ban, which was first announced by President Trump last year. The court’s move enables transgender people to continue enlisting in the military until the opposing parties go to trial, expected in April 2019. The administration had filed a motion to stay the preliminary injunction granted by a lower court in December 2017. The 9th Circuit ruling holds that the stay requested by the administration “would upend, rather than preserve, the status quo,” which currently allows transgender people to serve.

## **DEPARTMENT OF VETERANS AFFAIRS**

### **VA Defends Expedited Firing Law Amid Accusations It's Creating 'Cultural Fear'**

According to an article on [govexec.com](https://www.govexec.com), The Department of Veterans Affairs (VA), at a congressional hearing, defended its implementation of a new law easing the firing of its employees, saying any complaints one year into the law's existence were minor speed bumps on the road to overhauling the culture in the government's second largest agency. Lawmakers on both sides of the aisle during a House Veterans' Affairs Committee hearing to mark the one-year anniversary of the passage of the VA Accountability and Whistleblower Protection Act expressed concern that VA was circumventing congressional intent in implementing the law. Democrats on the panel repeatedly drew attention to the disproportionate impact the disciplinary cases have had on lower-ranked employees since President Trump signed the measure into law, in turn Republicans questioned whether whistleblowers were truly being protected. Rep. Phil Roe, R-Tenn., the committee's chairman, suggested the VA was pushing to expand the power of the newly formed Office of Accountability and Whistleblower Protection beyond what Congress had envisioned.

## **PILIEROMAZZA BLOGS**

### **GAO Weighs in on Facility Clearance Requirement for Unpopulated Joint Ventures**

By Megan Connor

A recent GAO decision upholds a facility clearance in a U.S. Department of Homeland Security ("DHS") solicitation even if burdensome to unpopulated joint ventures. The protester in the case made a common mistake among unpopulated joint ventures: assuming the clearances of the venturers may be attributed to the joint venture, without going through the process of clearing the joint venture. GAO found the cleared status of the venturers was irrelevant under applicable classified information policies. [[Read more](#)]