



July 31, 2025

The Honorable Peter Hegseth
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

The Honorable Steve Feinberg
Deputy Secretary of Defense
1010 Defense Pentagon
Washington, DC 20510-1010

The Honorable Michael Duffey
Under Secretary of Defense
3010 Defense Pentagon
Washington, DC 20301-3010

The Honorable Russell Vought
Director
Office of Management and Budget
Washington, DC 20503

Subject: Notice of Request for Comments on Executive Order 14265, Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base

Dear Secretary Hegseth, Deputy Secretary Feinberg, Under Secretary Duffey, and Director Vought:

Republic Capital Access, LLC ("Republic") is one of the leading commercial finance companies for U.S. Government contractors. Of the roughly 1,200 contractors we have financed since 2009, almost all have been small businesses. As such, we have a front row seat on the financing challenges faced by small businesses doing business with the U. S. Government.

We commend the Administration and the Department of Defense for their efforts in addressing the particular needs of small businesses in the context of the incredibly important effort to improve the U.S. industrial base. When addressing measures to improve access to private capital it is often tempting to focus on significant capital-intensive, large-scale projects. And this is important. But equally important, in our opinion, is not to overlook the small business community and their very unique challenges in obtaining affordable, predictable, nonpredatory capital.

In our judgment, the single most important, and simplest, acquisition related action the Government should take to accelerate private investment in critical supply chain technologies needed for national security is to allow more frequent invoicing leading up to milestones for SBIR/STTR and TACFI contracts.

Most small businesses, especially startups, do not have access to venture capital. Often these companies are formed by researchers very talented at their trade, but less familiar with how to attract early-stage capital. As such, they often turn to predatory lenders that charge extremely high fees and take personal and business assets as collateral. If the execution of the contract does not go perfectly, the business owner is at risk of losing all of their personal assets, savings accounts, home, investments and even their business's intellectual property.

Allowing monthly billing means that the only asset the business owner puts at risk is the invoice to the government. Therefore, a hiccup, such as a contract termination or a change in milestones,

will not jeopardize an owner's assets. **Furthermore, the predictability of cash flow will result in a dramatic increase in competitive private capital available to small businesses; thus, benefiting all stakeholders – the business owner, the U.S. Government, and proper capital providers.**

Based on our assessment, there is no need for legislation, or new regulations, to accomplish this. The Federal Acquisition Regulation, in most instances, grants broad authority to contracting officials to establish invoicing procedures and frequency. It is about education and empowerment rather than new policies.

In conclusion, we want to express our thanks for the opportunity to comment on this important matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'E. Stucky', with a long horizontal flourish extending to the right.

Edward J. Stucky
President & CEO