

## **DARS-2026-0002 | Comment 1 of 5 — Burden & Lifecycle**

Docket: DARS-2026-0002 | OMB 0704-0369

Re: DFARS Rights in Technical Data and Computer Software

Agency: Defense Acquisition Regulations System, DoD

Submitted: March 16, 2026

Submitted by:

**James Hunter Poole**, Executive Chairman & CEO, Obelisk Tech Systems Inc.

CAGE: 9S0L8 | UEI: U34MSJ6A6413 | HUBZone | ITAR-Registered | CMMC L2

Thomasville, Thomas County, Georgia | 14-Patent Portfolio: Cybersecurity, Quantum Comms, Autonomous Systems

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### **I. Burden Hours — 6x to 21x Understatement**

DoD estimates 1 hour per response across 378,035 annual responses. For an IP-intensive small defense contractor, a single DFARS 252.227-7017 assertion requires: IP boundary legal review (2–6 hrs), IP counsel coordination (1–4 hrs), technical data marking and document preparation (2–8 hrs), records management setup per 252.227-7019/7037 (1–3 hrs). Realistic per-response burden: 6–21 hours. Corrected total: 2.3–7.9 million actual annual hours vs. stated 454,899.

- DoD estimate reflects large-contractor burden with dedicated IP compliance staff — not small contractor reality
- OMB must require disaggregated burden by contractor size before renewal

### **II. Lifecycle Burden — 40–80 Hours Per Contract Per Year Excluded**

Initial submission burden is only the beginning. DFARS IP rights impose ongoing lifecycle obligations: periodic revalidation under 252.227-7037, audit readiness for DoD validation challenges, subcontractor flow-down management across tiers, post-contract records retention requirements. For a small contractor holding multiple active DoD contracts, cumulative lifecycle burden may exceed 40–80 hours annually per contract — entirely absent from the 1-hour estimate.

- Lifecycle burden is legally required under 44 U.S.C. 3502 — DoD's exclusion is a compliance failure

**Requested:** DoD must produce separate initial submission and lifecycle burden estimates disaggregated by contractor size.

## **DARS-2026-0002 | Comment 2 of 5 — Methodology, Cost & Economic Impact**

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### **III. Methodology — Zero Empirical Basis**

DoD provides zero methodology disclosure for the 1-hour average. No contractor time-tracking data, no representative sample across size categories, no validation against real DFARS submission packages, no variance analysis by contract type or IP complexity. An average across 378,035 responses with no disclosed methodology does not satisfy OMB's 5 CFR 1320.5 requirement for a credible, evidence-based burden estimate.

- A structured burden study stratified by contractor size, contract type, and IP portfolio complexity is required
- Minimum acceptable study: 50+ contractors across large, mid-tier, small, and SBIR performer categories

### **IV. Cost Reality — Legal and IP Counsel Costs**

IP rights compliance generates substantial costs for small contractors: IP counsel review at \$200–500/hour, contract compliance staff, document management infrastructure, and in contested cases, legal defense of restriction assertions under 252.227-7019 and 7037 challenge procedures. A single contested restriction validation can generate \$5,000–\$50,000 in legal costs for a small contractor — entirely excluded under PRA's 44 U.S.C. 3502(2) financial resources definition.

### **V. Economic Impact — \$170M–\$596M Annual Hidden Burden**

Applying the realistic 6–21 hour estimate to 378,035 annual responses yields 2.27–7.94 million actual annual burden hours. At \$75/hour blended rate, this represents \$170M–\$596M in annual economic burden on the defense contractor base. Obelisk Tech Systems holds 14 patents and two active USPTO provisional applications (63/962,840 and 63/962,830). Each new DoD contract with DFARS IP clauses generates 12–20 hours of CEO and outside counsel time — opportunity cost directly displacing technology development.

**Requested:** Disaggregated burden study by contractor size; legal cost estimates included; corrected total burden disclosed to OMB.

## **DARS-2026-0002 | Comment 3 of 5 — Practical Utility, Duplication & Statutory**

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### **VI. Practical Utility — 8 Overlapping Clauses Not Individually Justified**

The DFARS framework requires substantially similar IP information in 8 separate clause-specific formats: 252.227-7013, 7014, 7017, 7018, 7019, 7025, 7028, and 7037. Each generates a separate information collection event despite substantial data overlap. DoD has not demonstrated that each clause produces non-duplicative information. A data element crosswalk across all DFARS 227.71/72 clauses should be required before renewal.

### **VII. Duplication — SBIR Proposals and DFARS Assertions Collect Identical IP Data**

SBIR performers document IP boundaries, proprietary data categories, and commercialization rights in SBIR proposals submitted to the DoD SBIR portal. DFARS 252.227-7018 requires re-documentation of identical IP boundaries in a separate DFARS format. This is direct PRA-prohibited duplication. DoD has established no data-sharing protocol between the SBIR portal and DFARS contract administration systems.

- Duplicative IP documentation across SBIR and DFARS is a direct PRA violation

### **VIII. Cross-Agency — USPTO, SBIR.gov, DoD Systems Disconnected**

Contractor IP information already exists in USPTO patent records, SBIR.gov award databases, EDA contract repositories, PIEE, and DCSA facility records. DFARS requires contractors to re-document IP status in yet another format without integration with any of these existing federal sources.

### **IX. Statutory — 8-Clause Architecture Exceeds Proportionality**

10 U.S.C. 3771-3775 and 3781-3786 authorize DoD IP rights protection. The 8-clause DFARS implementation imposes compliance architecture substantially more burdensome than the statutory framework requires. DoD has not demonstrated that each clause is independently necessary. A necessity analysis for each DFARS IP clause should be required before renewal.

**Requested:** Data element crosswalk across all 8 DFARS IP clauses; SBIR portal integration to eliminate duplicative assertion; statutory necessity analysis.

## **DARS-2026-0002 | Comment 4 of 5 — Technology, Interoperability & COTS**

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### **X. Technology Failure — Manual PDF for IP-Intensive Federal Contracts**

DFARS IP rights compliance relies entirely on contractor-prepared paper or PDF documents manually submitted through contract administration channels. No centralized digital IP assertion registry, no USPTO API integration, no SBIR system interoperability, no machine-readable marking standards. PRA requires automation to minimize burden. Manual PDF submission for a program covering 378,035 annual responses is a technology failure.

### **XI. Interoperability — SBIR, EDA, PIEE, USPTO Disconnected**

DoD's technical data rights administration is isolated from all related systems: SBIR.gov award databases, EDA contract repositories, PIEE contract administration, USPTO patent status, and DCSA clearance records. Each holds IP-relevant information. Their disconnection forces manual duplication of data already in federal systems.

- USPTO API integration alone would eliminate a significant category of assertion burden for patent-holding contractors

### **XII. Pilot Testing**

DoD has not disclosed whether the 252.227-7017/7018 assertion process has been usability tested with SBIR performers — the category with the highest per-response burden. Forms designed for large prime contractors impose disproportionate burden on small innovative firms. A structured SBIR performer pilot is required.

### **XIII. COTS Solution**

COTS IP rights management platforms with USPTO API integration, structured DFARS assertion workflows, automated SBIR data pre-population, machine-readable marking standards, and audit trail documentation are available. U.S. small defense technology firms can deliver these solutions under SBIR Phase III authority. Estimated burden reduction: 60–80% for SBIR performers.

**Requested:** DoD should issue a SBIR solicitation for DFARS IP rights management platform development; require USPTO/SBIR.gov API integration roadmap as condition of renewal.

## **DARS-2026-0002 | Comment 5 of 5 — Small Business, Security, Quality, Drag & Recordkeeping**

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### **XIV. Small Business — CEO-Level IP Compliance for 14-Patent Portfolio**

Obelisk Tech Systems holds 14 patents and two active USPTO provisional applications (63/962,840 and 63/962,830). DFARS IP compliance falls entirely on the CEO and outside counsel. A single contract with 252.227-7017/7018 requirements generates 12–20 hours of executive and counsel time. DoD must produce a Regulatory Flexibility Act analysis specifically addressing SBIR performer and HUBZone small business burden disaggregated from large contractor burden.

### **XV. Barrier to Entry — DFARS Discourages SBIR Innovation**

The 8-clause DFARS IP architecture requires either substantial legal expenditure or executive time diverted from technology development. This burden asymmetry advantages large contractors with established IP compliance infrastructure and disadvantages precisely the small innovative firms DoD most needs for transformative technology access.

### **XVI. Data Security — Proprietary Assertion Data Without PIA or SORN**

DFARS restriction assertions require disclosure of proprietary technical data boundaries — competitively sensitive trade secret material. For ITAR-registered contractors, improper disclosure could constitute an ITAR compliance event. DoD has disclosed no PIA, no SORN, no data retention period, no breach notification protocol for assertion data. This must be published before renewal.

### **XVII. Data Quality — Clause Complexity Generates Over/Under-Assertion**

The 8-clause framework generates contractor confusion producing systematic over-assertion (claiming restrictions beyond actual IP rights) and under-assertion (failing to protect legitimate IP). Both degrade DoD data rights records. Clause consolidation would improve assertion accuracy while reducing burden.

### **XVIII. Operational Drag**

DFARS IP assertion requirements at proposal and contract execution delay SBIR award timelines and create post-award performance delays while IP counsel reviews deliverables — directly slowing DoD's access to innovative small business technology.

### **XIX–XX. Multi-Agency Pattern & Recordkeeping**

Systemic DoD burden underestimation for IP compliance is an OMB oversight gap requiring cross-DoD correction. Additionally, 44 U.S.C. 3502(2) explicitly includes recordkeeping in PRA burden — DFARS 252.227-7019 and 7037 require standing records maintenance across full contract performance period, adding 20–40 hours annually per contract entirely excluded from DoD's estimate.

**Requested:** RFA SBIR/HUBZone burden analysis; PIA and SORN for assertion data; standalone recordkeeping burden estimate; OIRA cross-DoD IP compliance audit.