

SIZE-SCALED RECORDKEEPING

VEVRAA One-Size-Fits-All Is Structurally Unfair — Tiered Requirements by Contractor Size, Age, and Contract Value

VEVRAA Recordkeeping | 38 U.S.C. §4212 | Due: MARCH 9, 2026 | regulations.gov

⚠️ URGENT — COMMENT DEADLINE: MARCH 9, 2026 ⚠️

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Filer	James Hunter Poole, Executive Chairman & CEO — Obelisk Tech Systems Inc.
CAGE / UEI	9S0L8 U34MSJ6A6413 Thomasville, Thomas County, Georgia (Rural, ~23% poverty, ~14% BA attainment)
Contracts	Navy · Army · SOCOM · AFSOC — Cybersecurity, AI, Quantum Comms, Encrypted Comms, Submarine/Aerial Drone Systems
Standing	ETAAC Nominee DARPA SBIR HR0011SB20254-12 14-Patent Portfolio DTIC AD1348980 NIST 800-171 ITAR DS-2032 BIS SNAP-R S745686 FinCEN MSB DOE Energy-AI Nexus
Entity	Delaware Corporation — Defense Technology CAGE 9S0L8 SAM.gov Active SBIR Applicant

I. LOCKHEED MARTIN SHOULD NOT EQUAL OBELISK

VEVRAA's \$200,000 contract threshold covers contractors ranging from single-person firms to the largest defense primes in the world. The recordkeeping obligation — 48.18 hours per establishment by OFCCP's own (understated) estimate — is the same for all of them. This is structurally irrational. A 3-person startup receiving its first \$200,000 SBIR Phase I award bears proportionally the same compliance burden as a 150,000-person defense prime receiving \$50 billion in annual contracts. In absolute terms, the compliance cost as a percentage of contract revenue is devastatingly higher for the small contractor.

For Obelisk, a DARPA SBIR Phase II award of \$1.5M would trigger the full VEVRAA obligation. At Obelisk's actual VEVRAA compliance cost of \$28,300–\$62,500 per year, VEVRAA compliance would consume 1.9%–4.2% of the entire contract value — just for recordkeeping. This is not a regulatory burden. It is a tax on small defense innovation.

II. PROPOSED TIERED FRAMEWORK

Tier	Contractor Size	Contract Value	Required Obligation	AAP Required?
TIER 1	Under 25 employees	\$200K–\$2M	One-page annual certification: self-ID invitations sent, non-discrimination policy in place	NO — Certification Only
TIER 2	25–100 employees	\$2M–\$10M	Standard OFCCP template AAP — no deviation, no legal review required	YES — Template Only
TIER 3	100–500 employees	\$10M–\$50M	Full AAP with simplified utilization analysis; electronic portal filing	YES — Simplified

TIER 4	500+ employees	\$50M+	Full current VEVRAA requirements — no change from current obligations	YES — Full
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III. LEGAL BASIS AND PRECEDENT

OFCCP already employs a threshold-based coverage model — \$200,000 for VEVRAA vs. \$50,000 for Section 503. Extending tiered thresholds within covered contractor populations is a natural progression of the same logic. The Small Business Regulatory Enforcement Fairness Act (SBREFA) requires agencies to consider small business impacts in all regulatory actions — OFCCP's uniform treatment of Tier 1 and Tier 4 contractors fails this requirement. The RFA, 5 U.S.C. §§601-612, requires OFCCP to analyze and consider less burdensome alternatives. A tiered framework is the less burdensome alternative the RFA demands.

IV. RELIEF DEMANDED

- OFCCP to publish proposed rule within 180 days establishing the four-tier recordkeeping framework described above.
- Tier 1 contractors (under 25 employees, \$200K–\$2M contracts): one-page annual certification replacing full AAP obligation — no audit risk during first 3 years.
- DOL CFO to certify what percentage of VEVRAA enforcement actions involve Tier 1 contractors. If below 5%, the full AAP burden on Tier 1 cannot be justified by enforcement outcomes.

Respectfully submitted,

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14-Patent Portfolio | DTIC AD1348980 | ETAAC Nominee | DARPA SBIR HR0011SB20254-12
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