

TO: Russell Vought, Director, Office of Management and Budget

FROM: Joshua Carter, Associate Administrator, Office of Investment and Innovation,
Small Business Administration

SUBJECT: Justification for Emergency Processing: 2026 Critical Suppliers Prize Competition

The Small Business Administration (“SBA”) requests emergency processing under 5 CFR 1320.13 for a new Information Collection Request (“ICR”). SBA seeks emergency approval to collect information for the 2026 Critical Suppliers Prize Competition. This information is essential to distribute congressionally appropriated entrepreneurial development funding that expires on September 30, 2026.

For decades, the United States held a commanding lead in both military technology and the industrial might behind it. That lead is eroding not due to a lack of innovation coming from the U.S. but because of critical supply chain chokepoints, dependence on foreign (often adversarial) sources for critical materials and components, and outdated manufacturing processes. Implementing a solution is, and will continue to be, a multi-faceted effort over many years. However, through the execution of its mission, the U.S. Small Business Administration is uniquely positioned to make a meaningful contribution in this effort. Despite their critical role in innovation and supply chains, over the last 20 years manufacturing in the U.S. has declined over 20% and the total number of small business participants in the defense industrial base (the “DIB”) has declined by over 40% in the last decade. Restoring U.S. industrial supply chains for both the commercial and defense sectors must include incentivizing vertical integration where appropriate and strengthening lower-tier suppliers (especially small and mid-sized firms that often lack capital or contract certainty to invest in resilience). The 2026 Critical Suppliers Prize Competition is designed to provide a meaningful contribution to up to six U.S. Small Businesses to provide targeted and mission aligned awards that will bring innovation to our manufacturing base and rapidly expand production capacity in areas identified as critical supply chain chokepoints with the overall objective to deliver measurable, near-term results.

This new ICR allows SBA to collect submissions for the 2026 Critical Suppliers Prize Competition. Because the funding for this competition expires on September 30, 2026, the use of normal clearance procedures is extremely likely to prevent or disrupt the collection of information. As a result, this information must be collected prior to the expiration of the ordinary time periods for notice and comment. 5 CFR 1320.13(a)(1)(i). Further, this collection is essential to the mission of SBA to aid, counsel, assist, and protect small businesses, because the collection directly supports small businesses through non-dilutive awards to refine, accelerate, and scale existing solutions that small businesses may not otherwise have the resources to achieve. 5 CFR 1320.13(a)(1)(ii).

Delaying implementation until completion of normal Paperwork Reduction Act clearance procedures would prevent SBA from distributing congressionally appropriated funding. 5 CFR

1320.13(a)(2)(iii). Further, failure to distribute this funding is reasonably likely to result in public harm. 5 CFR 1320.13(a)(2)(i). It is critical the prize competition is allowed to proceed, because any delay would be impracticable and contrary to the public interest. Specifically, delaying implementation to allow for normal clearance procedures would be impracticable and contrary to the public interest because:

- 1) SBA would not be able to deploy funds that Congress directed be used to support entrepreneurial development before the end of FY2026.
- 2) The U.S. small businesses who will be the eventual winners of this competition would likely not have the requisite capital to make a meaningful, near term contributions towards solving our nation's most vital supply chain chokepoints; and
- 3) Our country would be deprived of the economic and national security impact in the next six months that these Competition winners will be in a position to make, including increased production capacity and solutions that could pay dividends for years to come.

This collection is entirely voluntary. Only individuals who choose to enter the competition will complete the submission. Further, the collection is expected to be low burden on those who choose to enter, with each submission estimated to take 3 hours to prepare. On May 1, 2026, SBA published a Request for Information in the Federal Register to inform the design of near-term initiatives intended to strengthen domestic manufacturing capacity for critical components, subcomponents, materials, tooling, and specialized capabilities essential to economic resilience and national security. 91 FR 23523. Upon analysis of the comments received, SBA was able to narrowly tailor this collection to information small businesses regularly prepare as part of their normal business operations in order to minimize the burden. 5 CFR 1320.13(c).

SBA respectfully requests emergency processing under 5 CFR 1320.13, with waiver of the Federal Register notice, to approve SBA's collection of information for the Critical Suppliers Prize Competition by 7/28/2026.