



October 4, 2022

Ms. Marissa Ryba
Procurement Analyst
General Services Administration (GSA)
1800 F Street, NW
Washington, DC 20006

RE: FAR Case 2022-002--41USC §1908 Exemption of Certain Contracts from the Periodic Inflation Adjustments

Dear Ms. Ryba:

I write today in support of the implementation of Federal Acquisition Regulation (FAR): Exemption of Certain Contracts From the Periodic Inflation Adjustments to the Acquisition-Related Thresholds, which removes the Miller Act (40 U.S.C. §§3131-3134) from periodic inflation adjustments as required by 41 U.S.C. §1908.

The American Subcontractors Association (ASA), a trade association representing over 1,800 subcontractors and suppliers in the construction industry since 1966, works with our membership on improving the business environment in the construction industry, representing subcontractors at all branches of local, state and federal government.

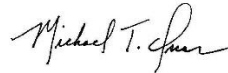
The federal government long has recognized the importance of surety bonding requirements on federal construction contracts. The Miller Act, enacted in 1935, and related regulations, require that a payment and performance bond be secured on federal construction contracts in excess of \$150,000 threshold. The performance bond assures the federal government and U.S. taxpayers that the construction contract will be performed fully in accordance with its terms and conditions. The payment bond provides invaluable payment protection to parties furnishing labor and/or materials on federal construction contracts. Subcontractors, my members, and suppliers rely on the payment bond in the event of non-payment of the prime contractor.

ASA membership is comprised of construction subcontractors, who are small businesses, and the risk of non-payment can be catastrophic to their businesses. By decoupling the Miller Act from §1908, Congress made the sound public policy decision that surety bond protections cannot be allowed to be compromised; thereby not jeopardizing performance protections benefiting contracting agencies and payment protections benefiting subcontractors and suppliers. These protections are critical to small businesses, which cannot readily withstand non-payment or severe cash flow interruptions.

It is for these reasons that ASA strongly urges prompt issuance of FAR (FAR): Exemption of Certain Contracts From the Periodic Inflation Adjustments to the Acquisition-Related Thresholds, which removes the Miller Act (40 U.S.C. §§3131-3134) from periodic inflation adjustments as required by 41 U.S.C. §1908.

Thank you for your time and attention. Please do not hesitate to contact me.

Respectfully,

A handwritten signature in black ink that reads "Michael T. Oscar". The signature is written in a cursive style with a large initial "M" and a long, sweeping underline.

Michael T. Oscar
Government Relations Director