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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

September 21, 2007

Mr. Walter G. Blackwell
President and Chief Executive Officer
National Veterans Business Development Corporation
1625 K Street, NW
Suite 750
Washington, DC 20006

Dear Mr. Blackwell:

It has come to our attention that the National Veterans Business Development Corporation (the Veterans Corporation or Corporation) recently announced a new grant program—the Veteran Entrepreneurship Support grant initiative—in place of its previous grant program. We are deeply concerned about the implications of this change on the established veteran small business centers and seek your assurance that the established centers will continue to receive the support of the Corporation so they can provide services to our nation’s veterans.

The Veterans Corporation was created by H.R. 1568, the Veterans Entrepreneurship and Small Business Development Act of 1999, to expand the provision of, and improve access to, technical entrepreneurship assistance. A key provision in the Act requires that the Veterans Corporation “. . . establish and maintain a network of information and assistance centers for use by veterans and the public.” The accompanying House and Senate reports both clearly state that: “*The most significant single purpose of the Corporation will be to work with the public and private sectors to establish an independent nationwide network of business assistance and information centers for veterans.*” (emphasis added) We have heard glowing reports about the work performed by the Northeast Veterans Business Resource Center Inc. in Boston, Massachusetts; the Veterans Business Resource Center in St. Louis, Missouri; and VetBizCentral in Flint, Michigan; and, at this time, we believe that it would be a tremendous loss to the entire veteran community if these centers do not continue to operate.

As you know, it is simply not possible to run an effective center on \$50,000 per year. Although centers can apply for numerous grants, it is not an efficient use of a center’s resources to apply for and administer 3, 4, or 5 grants from the Veterans Corporation. We are also concerned that if these centers close, it will take years to replace them, depriving veterans of needed assistance.

Veterans have sacrificed in the defense of our country, and they have earned the support of their government in reentering civilian life. There are currently 25 million

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veterans in America, including over 1.3 million who have left military service since 2001. As the conflicts in Iraq and Afghanistan continue, it becomes increasingly vital that returning service members receive the assistance they need. According to the Department of Labor, the unemployment rate among recently discharged veterans is more than double the national overall unemployment rate: 11.9 percent compared to 4.6 percent. In addition, 55 percent of self-employed reservists experienced income loss when deployed, and 22 percent said that their business suffered serious or very serious harm. The challenges facing veterans and reservists were corroborated by testimony at United States Senate Committee on Small Business and Entrepreneurship hearings on September 19, 2005 and January 31, 2007.

We are deeply committed to supporting veterans and reservists who are, or wish to become, entrepreneurs. Providing counseling and technical assistance is a crucial component of supporting that goal. As stated in H.R. 1568, “[t]he United States has done too little to assist veterans, particularly service-disabled veterans, in playing a greater role in the economy of the United States by forming and expanding small business enterprises.” Allowing these centers to close would be a step in the wrong direction.

Please inform us by September 27, 2007 how the Veterans Corporation will continue to support the establishment of a network of centers, in light of the changes in the grant program. We thank you for your attention to this matter and look forward to your prompt response.

Sincerely,



John F. Kerry
Chairman



Olympia Snowe
Ranking Member

CC Senator Akaka
Senator Burr
Board of the Veterans Corporation