# UNITED STATES SMALL BUSINESS ADMINISTRATION

INTERAGENCY TASK FORCE ON

VETERANS SMALL BUSINESS DEVELOPMENT

Friday, October 15, 2010

9:10 a.m.

Small Business Administration
409 Third Street, S.W.
Washington, D.C.

Diversified Reporting Services, Inc. (202) 467-9200

#### ATTENDEES:

Marie Johns, Meeting Chair, SBA

James Wifong, VET Force

John M. Garcia, Association of State Veterans Affairs
Directors

Tim Forman, Veterans Administration

William E. Elmore, SBA

Matthew Blum, OMB

Raymond Jefferson, DOL

JiYoung Park, GSA

Linda Oliver, DOD

Donald Graves, Jr., Treasury

Dan Dellinger, American Legion

Elizabeth O'Herrin, Student Veterans of America

### PUBLIC PARTICIPANTS:

Matt Walker, Deputy Staff Director, Senate Committee on Small Business and Entrepreneurship

Walter Cotton, Entrepreneur

James Mingey, The Veterans Corporation

# A G E N D A

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- 1 PROCEEDINGS
- 2 (9:10 a.m.)
- 3 WELCOME AND OPENING REMARKS
- 4 CHAIR JOHNS: Let's get started. Good
- 5 morning, everyone.
- 6 VOICES: Good morning.
- 7 CHAIR JOHNS: And it's just wonderful to see
- 8 this room so well-attended for the first public meeting
- 9 of President Obama's Interagency Task Force on Veterans
- 10 Small Business Development. I'm Marie Johns, Deputy
- 11 Administrator at the SBA, and I have the honor of
- 12 chairing the task force.
- Just as a little bit of background, the task
- 14 force was created by executive order on April 26th of
- 15 this year, and the goal of the executive order was to
- 16 identify ways to promote veteran business ownership and
- 17 strengthen support for veteran business development.
- 18 So that means consulting with military
- 19 organizations, small businesses and the veterans
- 20 community at large, and it also means asking tough
- 21 questions within our agencies, represented around this
- 22 table, to ensure that we are working together in the

- 1 most effective ways, and also it includes hearing from
- 2 you, and again, I thank you for your presence.
- 3 Ultimately, we're producing a report for the
- 4 President that will include a set of recommendations,
- 5 and we're expecting that many of those recommendations
- 6 will come from you, and we're very excited about this
- 7 opportunity to hear from you at the outset of our work.
- 8 I want to make it clear that this is our first
- 9 public meeting, and task force members were in total
- 10 agreement that our first meeting should be a meeting
- 11 where the public is here and the bulk of the meeting is
- 12 to hear from you, because we want to be informed by
- 13 your input at the very beginning of our work, not go
- 14 down the road and not having been -- having heard from
- 15 the public, and make sure that we are working on
- 16 recommendations that reflect what we know the true
- 17 needs are.
- 18 We have six committees, and we structured the
- 19 task force so that each member of the task force would
- 20 take a leadership role on leading one of the
- 21 committees, and they're committees based on the six
- 22 areas of focus outlined in the President's executive

- 1 order.
- 2 They are improving access to capital,
- 3 achieving federal contracting goals, increasing the
- 4 integrity of certification status, reducing paper work
- 5 and administration burdens, increasing and improving
- 6 training and counseling services, and improvements to
- 7 support veterans business development.
- 8 So these groups have been formed, and I'm
- 9 going to stop now, so that we have an opportunity for
- 10 all of our task force members to introduce themselves,
- 11 and to tell you which committee that they are leading
- 12 throughout this process. So again, thank you, and
- 13 first we'll turn to Raymond Jefferson.
- 14 INTRODUCTIONS
- 15 MR. JEFFERSON: Thank you. I'll share your
- 16 mic. Good morning everyone, how are you?
- 17 VOICES: Good morning.
- 18 MR. JEFFERSON: My name is Ray Jefferson. I
- 19 serve as the Assistant Secretary for Veterans
- 20 Employment. I regrettably need to excuse myself after
- 21 making some remarks this morning, which is not my
- 22 style. But we are to be represented in the task force

- 1 by myself and also by Gordon Burke. Gordon, could you
- 2 stand? I'm going to ask you to come up and follow, as
- 3 soon as a make a departure.
- 4 But I did ask Marie if I could say a few
- 5 things. I served as her Assistant Secretary for
- 6 Veterans Employment and Training, and we're working to
- 7 transform how we work and how we achieve impact. We
- 8 want this -- we want to be a member of what I believe
- 9 today is a new beginning, a new beginning in how we
- 10 work together as one team to promote the engagement of
- 11 better-known small businesses in America.
- 12 I think that this is something that we need to
- do with partnership, by working synergistically, and by
- 14 working with a tremendous sense of urgency. This can
- only happen if organizations, CEOs around America know
- 16 about the value of engaging small businesses, and we're
- 17 moving on that right now.
- There have been two articles thus far this
- 19 year in Fortune magazine. There's another one coming
- 20 out in Forbes at the end of the year. In that issue,
- 21 which is going to hit news stands December 6th, it
- 22 talks about the 50 things CEOs need to know or do in

- 1 2011. One of those things needs to be hiring veterans
- 2 and engaging with veteran-owned small businesses. Sc
- 3 we're working with the Forbes team right now on that
- 4 content. Marie, we are working very closely with you.
- 5 I actually had my EA call your staff five minutes ago.
- 6 So we're going to be getting on your calendar, so we
- 7 can come.
- 8 Also I'll let you know that the Department of
- 9 Labor as a department is firmly committed. We have met
- 10 all of our veterans small business goals, and we've
- 11 also done our three percent service-disabled veteran
- 12 owned small business goals. So we're very pleased with
- 13 that.
- We launched a pilot with the U.S. Chamber of
- 15 Commerce tow weeks ago in 14 states. We're going to
- 16 increase our employer outreach by a factor of over 100.
- 17 We used to meet one employer at a time to encourage
- 18 them to hire veterans. Now we're meeting with 100, 200
- 19 employers at Chamber breakfasts and lunches.
- 20 On October 25th, we're launching a rural
- 21 veterans outreach initiative, to make sure veterans in
- 22 rural America know about the programs and services

- 1 available to them. Bill, let us know if we can wrap in
- 2 there an entrepreneurship, and we are transforming for
- 3 the first time in two decades the Transition Assistance
- 4 Program Employment Workshop. We're going to announce
- 5 that contract probably next month, and I've embedded a
- 6 section in there on entrepreneurship.
- We want to make sure that the men and women
- 8 coming out of the service know that they have
- 9 knowledge, skills and abilities that prepare them to be
- 10 successful entrepreneurs, and to link them with the
- 11 programs and services at SBA and others in this room
- 12 have to help them develop success in that career.
- 13 So we're thrilled to be here. This is a new
- 14 beginning, Marie. We're excited to work with you and
- 15 we're going to do great things together.
- 16 CHAIR JOHNS: Thank you.
- 17 MR. JEFFERSON: You got it.
- 18 CHAIR JOHNS: All right. Thanks so much for
- 19 being here. All right. Thank you, Linda.
- 20 MS. OLIVER: That's a little tough to follow.
- 21 I'm Linda Oliver. I'm the Acting Director of Small
- 22 Business Programs for the Department of Defense, and I

- 1 am co-chairing the Committee on Achieving Federal
- 2 Contracting Goals. I'm going to pass the microphone
- 3 along, because I don't want -- I know, I'm so bored
- 4 with what I have to say. I want to hear what you have
- 5 to say.
- 6 MR. GRAVES: Good morning. I'm Don Graves.
- 7 I'm the Deputy Assistant Secretary at the Treasury
- 8 Department. I handle issues of small business, housing
- 9 and community development.
- 10 As we all know, over the last few years, we've
- 11 gone through a tremendous economic crisis, the likes of
- 12 which none of have seen or at least most of us have not
- 13 seen, and we're just now getting to a point where I
- 14 think we're starting to see some stability.
- We're very encouraged about the long-term
- 16 prospects for the economy. That said, we would be
- 17 remiss if the administration didn't spend as much time
- 18 and energy as we could taking advantage of and
- 19 supporting those people who are the best-trained and
- 20 most talented people in the country, those who come
- 21 through our armed services and who are seeking to take
- 22 advantage of opportunities to create jobs and build

- 1 businesses.
- 2 As a result, the Secretary and I and my fellow
- 3 colleagues on the task force are very interested in
- 4 finding ways to take advantage of those opportunities,
- 5 particularly at Treasury, where we can help support
- 6 those businesses through access to credit and capital,
- 7 support via specific programs that have implemented.
- 8 I'll just mention two that you may not have
- 9 heard about. Just two weeks ago, the President signed
- 10 into law the Small Business Jobs Act. Treasury has two
- 11 programs in that legislation, the small business
- 12 lending fund, the state small business credit
- 13 initiative. They're a 30 billion and a one and a half
- 14 billion dollar program, respectively.
- 15 These programs, you have my commitment that
- 16 these programs will have a significant veterans
- 17 components to them. We will do everything we can not
- 18 only to utilize veteran-owned businesses in the
- 19 development of the programs, but also as we get to that
- 20 hundreds of billions of dollars of new lending that
- 21 we're going to create for the programs, that many, a
- 22 very large component of those businesses, are

- 1 veteran-owned.
- 2 So I'm excited about the task force. Thank
- 3 you, Marie, for convening this and asking us to
- 4 participate. We will be active partners.
- 5 CHAIR JOHNS: Thank you, Don.
- 6 MR. DELLINGER: My name is Dan Dellinger. I'm
- 7 with the American Legion and USO, and I'm a member of
- 8 the Committee on Improving Access to Capital. Looking
- 9 forward to working with everyone.
- 10 MS. O'HERRIN: Good morning. My name's
- 11 Elizabeth O'Herrin. I'm a member of Student Veterans
- 12 of America. I helped co-found the organization. I'm
- 13 currently graduate student here in D.C. at Johns
- 14 Hopkins University, and I am on the Subcommittee for
- 15 Improving Counseling and Training with Assistant
- 16 Secretary Raymond Jefferson.
- 17 CHAIR JOHNS: Thank you, Elizabeth.
- 18 MR. WIFONG: Hi. My name is Jim Wifong, and
- 19 I'm on the Executive Committee of VET-Force, the
- 20 Veterans Entrepreneurship Task Force, and I'm from the
- 21 state of Maine. I'm a volunteer in this committee, and
- 22 I co-chair the Committee on Improvements to Support

- 1 Veterans Business Development, with Assistant Secretary
- 2 Graves.
- 3 We're looking forward to working hard on this
- 4 committee, and we are looking forward to having -- our
- 5 goals are to have at least five real game-changers for
- 6 veterans, and we are not afraid to tinker around the
- 7 edges a little bit. But we want game-changers. Thank
- 8 you.
- 9 MR. GARCIA: Good morning. My name's John
- 10 Garcia. I'm the cabinet secretary for the New Mexico
- 11 Department of Veterans Services. I represent the
- 12 National Association of State Directors of Veterans
- 13 Affairs, state directors of Veteran Affairs. I'm also
- on the Committee of Access to Capital.
- 15 MR. BLUM: Good morning. I'm Matthew Blum.
- 16 I'm the Associate Administrator for the Office of
- 17 Federal Procurement Policy at the Office of Management
- 18 and Budget. Our office is responsible for making sure
- 19 that government-wide acquisition policies are achieving
- 20 the best results for the taxpayers, which includes
- 21 making sure that we give fair access to veteran-owned
- 22 small businesses, and service-disabled veteran-owned

- 1 small businesses.
- 2 I'm very excited about this task forced. By
- 3 way of background, myself and actually several folks
- 4 that are sitting at this table have been very actively
- 5 involved with our partners at SBA, on the other task
- 6 force that was created when this executive order came
- 7 out, for improving government contracting with small
- 8 businesses.
- 9 What's particularly important or exciting
- 10 about that process is that we used a similar outreach
- 11 effort, and that, I think, was instrumental in helping
- 12 us shape a series of very focused recommendations to
- 13 make meaningful improvement on access for small
- 14 businesses. These are long-standing policies that have
- 15 needed improvement, on issues such as our use of
- 16 set-asides, subcontracting, bundling and consolidation,
- on issues related to making sure we have a
- 18 better-trained work force that understands all of the
- 19 requirements and uses them effectively, making sure we
- 20 have appropriate training for small businesses, and
- 21 finally that all of our technologies and information
- 22 systems are user friendly and accessible.

- 1 So I think we're going to make a lot of
- 2 progress there, and I'm very excited that we have a
- 3 task force that is specifically focused on the needs
- 4 for veterans, so that we can make similar progress on
- 5 issues that are of importance to this community.
- I'm on the subcommittee that's going to be
- 7 looking at reducing paperwork and administrative
- 8 burdens and accessing business development and
- 9 entrepreneurship opportunities, obviously a critical
- 10 focus area for making progress.
- 11 The community needs to know where they can
- 12 find information and opportunities. They need to
- 13 understand what is required of them and how to get help
- 14 if you need it. We also need to make sure that
- 15 information collection processes aren't creating
- 16 unnecessary burdens, and that our data system, such as
- 17 the central contractor registration and vet bids (ph)
- 18 are being used in the most effective and user-friendly
- 19 manner possible.
- So I know we have a lot of work ahead of us.
- 21 I think it will be very productive and I'm very much
- 22 looking forward to hearing your comments this morning.

- 1 CHAIR JOHNS: Thank you.
- 2 MS. PARK: Good morning. I'm Jiyoung Park,
- 3 the Associate Administrator for the Office of Small
- 4 Business Utilization at the General Services
- 5 Administration. Most of you know that GSA is the
- 6 government's landlord and supplier of products and
- 7 services.
- 8 So I'm excited to bring to the table GSA's
- 9 expertise on things we do really well, for
- 10 service-disabled veteran-owned firms and for
- 11 veteran-owned firms. One of the many things we're
- 12 looking forward to working with this group here and
- 13 with you all to hear your ideas, and learn how we can
- 14 do better.
- 15 So GSA, along with Linda Oliver at DOD is
- 16 co-chairing the Working Group on Achieving Federal
- 17 Contracting Goals. Thanks very much.
- 18 CHAIR JOHNS: Thank you, Jiyoung.
- 19 MR. FORMAN: Good morning. I'm Tim Forman.
- 20 I'm the Executive Director for the Office of Small and
- 21 Disadvantaged Business at the Veterans Administration.
- 22 I look forward to working with this group. We have a

- 1 lot of things that we have to do.
- 2 I think there are basically three things that
- 3 are going to happen and come out of this group. One,
- 4 there are going to be recommended statutory changes.
- 5 Two, recommended regulatory changes. Three, business
- 6 development, and actually a fourth one: We have to
- 7 figure out a way to get money to service-disabled
- 8 veterans at both the prime and subcontracting level
- 9 faster.
- 10 We have to do a better job of oversight of the
- 11 primes that are doing that, and maybe change some of
- 12 the rules for which they operate by. Linda's very
- 13 familiar with this and so am I. I used to work in
- 14 price cost and finance in DOD, and one of the things
- 15 that they used to have is a pay cost rule.
- We wouldn't pay our large clients until they
- 17 paid 100 percent of their small business concerns.
- 18 Well remember a few years back, all of the sudden the
- 19 skies looked blue, and as far as you can see, we were
- 20 nothing but going up. They repealed that rule. We
- 21 ought to go back to that rule.
- I think it's just incredible, because the

- 1 balloon keeps blowing up on those folks. I am in kind
- 2 of an interesting -- Matt talked about reducing paper
- 3 work, and yet, you know, I'm going to be doing the
- 4 certification. You know, how can we improve the
- 5 integrity of the certification program, and usually the
- 6 problem is you get more paper work.
- 7 So I'm always looking for ways to cut the
- 8 paper work but get the information. I found very
- 9 quickly, and obviously I had testify three times on
- 10 this pretty quick. Let me tell, I am bored to Favo
- 11 (ph), and nobody gets promoted by being good at
- 12 testifying.
- So one of the things that we're looking at is
- 14 how you get a verification. We call it verification
- 15 program, because that's different. Certification is
- 16 self-certification. People confuse that, and we have
- 17 been kind of quilty. I had to get on some of my folks.
- 18 They'd send out a letter. People would come in and say
- 19 here's my self-certification.
- They'd say "Congratulations, you are
- 21 certified." They didn't say "self-certified," but
- 22 certified. So they confuse the two. On of top of

- 1 that, we've got a couple of these public laws that are
- 2 out there.
- 3 We do have the Small Business and Jobs Act of
- 4 2010, and that's Public Law 111-240. We've got a brand
- 5 new one for vets that just came out the day before
- 6 yesterday, and that's the Veterans Benefits Act of
- 7 2010, and forces us to ramp up verification, literally
- 8 to throw everybody out.
- 9 We have well over 15 to 17 thousand folks in
- 10 our base, database, of which only about 7,000 are
- 11 currently verified. They give us a very short window.
- 12 So we're trying to figure out what's the next step
- 13 forward, how we're going to handle this, how we're
- 14 going to do it. So we're ramping up with more contract
- 15 support, and we're going to attempt to get additional
- 16 people on board.
- 17 That's just a quick thumbnail of what we have
- 18 to do and what we have in front of us. I look for help
- 19 from you folks. Thank you.
- 20 CHAIR JOHNS: Thanks, Tim.
- 21 MR. ELMORE: Thank you. I'm Bill Elmore. I'm
- 22 the Associate Administrator for Veterans Business

- 1 Development here at SBA. I'm going to go off message
- 2 here a little bit. I think most of you who know me
- 3 know I do that.
- 4 As I thought about this task force, some of us
- 5 have been involved in promoting veteran
- 6 entrepreneurship for decades, and it was ten years ago
- 7 plus that we got arguably the most significant
- 8 entrepreneurship language passed through Congress,
- 9 perhaps in history.
- 10 I think we're kind of in a, I don't know if
- 11 I'd call it a crossroads, but we're at a point as a
- 12 small business community where now we know we're here,
- 13 and the rest of the country is beginning to recognize
- 14 that as well, including government.
- 15 And I'm hoping that this is going to be the
- 16 vehicle not just to impact and change the way some of
- 17 the services and programs we deliver are delivered, but
- 18 also enhance and build some new ones, but also lay the
- 19 ground work for the next ten years for our community.
- 20 I think we've matured as a community, and I think this
- 21 task force is going to represent that maturity.
- 22 Now I'm going to bring for a second and give

- 1 you a couple of administrative details. For those who
- 2 don't know their way around, Cheryl, raise your hand in
- 3 the back? Cheryl Simms?
- 4 CHAIR JOHNS: No, Cheryl's right here.
- 5 MR. ELMORE: Okay, here's Cheryl. If you need
- 6 to take a break, you need a pass. You've come in here.
- 7 You know our security already. So if you need to use
- 8 the restrooms, it's through the door and then through
- 9 the double glass doors on the other side of the lobby
- 10 on this floor. The women's restroom is to the left;
- 11 the men's to the right. You get a pass from Cheryl.
- 12 In the event there's a fire alarm, through
- 13 this door, make an immediate left, down the stairwell,
- 14 and the security guards downstairs will direct you to
- 15 where you should go in the event that there's any sort
- 16 of event like that, whether it's a fire or something
- 17 else. So I wanted to cover those.
- 18 I'm going to give you sort of the three or
- 19 four or five things that I'm going to be driven by as I
- 20 approach my responsibility on this task force. One is
- 21 I'm not going to promo Patriot Express, but Patriot
- 22 Express from SBA has done a couple of things. It

- 1 engaged lenders specifically with the military
- 2 community, not just veterans.
- 3 I'm going to urge, and I was glad to hear our
- 4 friend from Treasury touch on the new programs that
- 5 Treasury has. I'm going to urge that we as a committee
- 6 consider taking the Patriot Express approach and
- 7 applying it to all of government's capital access
- 8 programs.
- 9 Now what that means is that it would be for
- 10 veterans and disabled veterans. It would be for
- 11 Reserve and Guard members and spouses. It would be for
- 12 TAP-eligible service members, and it would be for
- 13 widows. So I'm going to push for that. Whether we'll
- 14 get it, I don't know. But I wanted you to understand
- 15 that that's what I'm going for.
- I also hope, as we develop not just what we
- 17 have but what we go to, that we remain cognizant of the
- 18 real cost of military service on our ability to
- 19 discharge and become entrepreneurs, because I think
- 20 there is a cost. There's a cost in equity, there's a
- 21 cost in collateral. Arguably, there's a cost in
- 22 savings, and certainly for some of us there's a cost in

- 1 our physical ability to be able to perform certain
- 2 functions of life.
- 3 So I think we need to keep that in mind as we
- 4 develop government capital programs. Obviously, I'm on
- 5 the Capital Access Committee.
- I'm going to also try, because I think this is
- 7 part of our maturity. I think there's two parts of
- 8 SBA's capital programs we haven't done a really good
- 9 job with yet. One is our microloan program, which has
- 10 recently been raised to a cap of 50,000 from 35,000. I
- 11 think our microloan program can do a better job.
- 12 I've had these discussions with them, and I'm
- 13 going to push for some program enhancements there that
- 14 help get microcapital opportunity into the hands of
- 15 veterans and reservists et al. I also think that one
- of the things we haven't done yet is in the small
- 17 business investment arena. We know there are veterans
- 18 in the venture capital world, and we know there are
- 19 veteran business owners who benefit from the venture
- 20 capital world.
- 21 But as an agency and as a government, we've
- 22 done nothing so far to engage in that and try to

- 1 Support that and build that up. I think the affinity
- 2 that's in this community is going to support that. So
- 3 I'm going to push for how do we begin to build out, if
- 4 you will, small business investment corporation
- 5 approaches to the military community, including
- 6 specific steps to go out and identify program managers
- 7 and potential investors.
- 8 I think the networks of veterans that are
- 9 across this country can be reached into and encouraged
- 10 and perhaps energized to play in that.
- I think last that I'll come out of this with
- 12 is one of the things we all know is that there's a real
- 13 lack of coordination, and it's easy to sit around and
- 14 say that. It's hard to fix, because every agency has
- 15 its own mission. Every agency has too much to do.
- 16 Every agency is under-resourced. But our community
- 17 demands it and requires it, and I think it will help
- 18 our country if we accomplish it.
- So I hope we come out of this with not just
- 20 unified ideas for programs, but unified effort to
- 21 deliver to veterans, to reservists, to Guard members,
- 22 to their families and to every veteran that goes

- 1 through CAP. I was happy to hear Secretary Jefferson
- 2 touch on this, that they are handed information that
- 3 says here is the full range of services and resources
- 4 available to you, not just from SBA, not just from VA,
- 5 not just from DOD, not just from DOL, not just from
- 6 GSA, not just from Treasury, but from all of
- 7 government.
- 8 So those are the issues that I'm going to sort
- 9 of underpin all of the work that I do on the Access to
- 10 Capital Working Group.
- 11 CHAIR JOHNS: Okay, thank you, Bill. All
- 12 right. So you've heard who we are, and now we're ready
- 13 and very eager to hear from you. We had three
- 14 individuals sign up to testify. It was not a
- 15 requirement to sign up, excuse me, in order to give a
- 16 statement. But we are going to take those individuals
- 17 first.
- 18 So I'd like to first call on Matt Walker,
- 19 who's Deputy Staff Director and Counsel for the Senate
- 20 Committee on Small Business and Entrepreneurship,
- 21 representing the Ranking Member there. Good morning
- 22 Matt and welcome.

- 1 PUBLIC COMMENT AND DISCUSSION
- 2 MR. WALKER: Good morning. Thank you Madam
- 3 Chair.
- 4 MR. ELMORE: There's a microphone there Matt,
- 5 if you --
- 6 MR. WALKER: Oh. I thought I turned it on.
- 7 MR. ELMORE: Oh, I'm sorry. Cheryl grabbed
- 8 it. My mistake.
- 9 MR. WALKER: I was going to say, that's the
- 10 smallest microphone I've ever seen. I'm trying to
- 11 figure out modern technology there. All right.
- 12 (Laughter.)
- 13 MR. WALKER: Thank you, Madam Chair, members
- 14 of the Interagency Task Force, my fellow veterans and
- 15 others for providing this opportunity to say a few
- 16 brief words on behalf of Senator Olympia Snowe.
- 17 As this is the first public meeting of the
- 18 task force, it is prudent to consider why it was
- 19 established, its missions and the high expectation for
- 20 those who fought for its creation.
- 21 The idea for the task force originated during
- 22 a Senate Committee on Small Business and

- 1 Entrepreneurship hearing in January of 2007, titled
- 2 "Assessing Federal Small Business Assistance Programs
- 3 for Veterans and Reservists."
- 4 During that hearing, Ranking Member Snowe
- 5 expressed her frustration with the federal government's
- 6 failure to satisfy its three percent contracting goal
- 7 for service-disabled veteran-owned small businesses,
- 8 share information internally to facilitate achievement
- 9 of this goal, and coordinate efforts to make service
- 10 members and veterans aware of the federal resources
- 11 that were available to them. Then she discussed during
- 12 that hearing the idea of forming a council to address
- 13 these issues.
- 14 After the hearing, on March 15th, 2007,
- 15 Senator Snowe introduced the Veterans Small Business
- 16 Opportunity Act of 2007, which among other things
- 17 provided for the creation of the task force.
- 18 Subsequently, she included the provision into the
- 19 Military Reservists and Veterans Small Business
- 20 Reauthorization and Opportunity Act of 2007, a bill
- 21 that she and then Chairman John Kerry introduced
- 22 together.

- 1 Then through a series of negotiations with the
- 2 House, a revised Military Reservists and Veterans Small
- 3 Business Reauthorization and Opportunity Act of 2008
- 4 was passed in both chambers and signed into law on
- 5 February 14th, 2008, becoming P.L. 110-186.
- 6 Unfortunately, it took far too long for this
- 7 task force to be formed, well beyond the 90 days
- 8 required by statute. However, now that the task force
- 9 has been formed, we have high expectations for what you
- 10 will do for our nation's reservists and veteran
- 11 entrepreneurs.
- 12 As you know, included among the list of
- 13 Senator Snowe's objectives for this task force are
- 14 improving access to capital; ensuring achievement of
- 15 the federal contracting goals; increasing the integrity
- 16 of certifications, or as Jim reminds us, verifications
- 17 as veteran-owned or service-disabled veteran-owned
- 18 small businesses; reducing paper work and
- 19 administrative burdens; increasing and improving
- 20 training and counseling; and making other timely
- 21 improvements to support veterans small business
- 22 development by the federal government.

- 1 These are, of course lofty goals. At one
- 2 point when drafting the legislation, a veteran
- 3 expressed to me the value of having representatives of
- 4 a veterans service organization included on the task
- 5 force. They asserted that this would ensure veteran
- 6 and non-governmental input, and would also help to keep
- 7 the task force engaged and focused on its mission.
- 8 When mentioning this to Senator Snowe, she
- 9 couldn't have agreed more, which is why she included
- 10 the requirement that four of this task force's members
- 11 come from veteran service organizations or military
- 12 organizations and associations. Senator Snowe devised
- 13 this task force because she believes that our
- 14 government can and should be doing far more to assist
- 15 our veteran entrepreneurs. Our nation owes these men
- 16 and women a debt of gratitude that can never be repaid.
- 17 You have an enormous challenge ahead of you,
- 18 but I have no doubt that with the composition of this
- 19 task force, and under the leadership of Administrator
- 20 Mills and Deputy Administrator Marie Johns, for whom I
- 21 have the utmost respect, you can and will arise to the
- 22 occasion. I respectfully request the full text of my

- 1 remarks be included in the record, and thank you for
- 2 everything that you'll do on behalf of our nation's
- 3 veterans. Thank you.
- 4 CHAIR JOHNS: Thank you. Thank you very much.
- 5 Next we invite to the microphone Walter Cotton, who is
- 6 a veteran and an entrepreneur.
- 7 MR. COTTON: Good morning.
- 8 CHAIR JOHNS: Welcome, Mr. Cotton.
- 9 MR. COTTON: Thank you very much. I would
- 10 apologize for my attire, but I'm co-hosting our
- 11 company's annual golf tournament today, so we've got
- 12 about 200 golfers that are out on the course right now,
- 13 and I thought this event was important enough to lend
- 14 my voice to, so I'm here instead of there.
- 15 I want to thank the task force for inviting me
- 16 to lend my voice to this very important subject. I
- 17 have a prepared text, which I'm not going to read
- 18 verbatim. I sent it over to Mr. Schneider and it can
- 19 be placed in the record.
- 20 But what I want to start with is a little
- 21 information my background, which I think is going to be
- 22 central to the suggestion or focus area that I want to

- 1 make emphasis or provide emphasis to. As indicated, a
- 2 service-disabled veteran business owner. I joined the
- 3 Army in 1982, and experienced what was an
- 4 injury-shortened career, and was retired, medically
- 5 retired with a service-connected disability in 1985.
- Now the rest of this is going to be important,
- 7 because it's central to the point that I want to make
- 8 to the committee and provide for focus. After
- 9 retiring, I took advantage of one of the critical
- 10 transition benefits they make available to disabled
- 11 veterans, which is the vocational rehabilitation
- 12 program. I used that program to secure my degree in
- 13 Accounting in 1991.
- 14 Upon graduation, I immediately jumped on a
- 15 plane, flew out to Arizona, and secured the license for
- 16 the first business I started. So I'm a serial
- 17 entrepreneur, you'll learn, as we go through this
- 18 process. I've also held some significant positions
- 19 with multinational Fortune 500 companies in the
- 20 executive level.
- I was the manager of the Indirect Channel for
- 22 Sprint Nextel, for their Multinational Division;

- 1 president and general manager of America 2
- 2 Communications, which is a technology interconnect; and
- 3 have been managing partner for multiple small and
- 4 mid-sized business consulting firms, which ultimately
- 5 led me to start my own SMB consulting firm, which is
- 6 MRIT, which I'm still currently the managing partner
- 7 of, and that organization has spawned a joint venture,
- 8 which is PSI4G, which is a collective relationship
- 9 between myself and a graduated 8(a), which you'll learn
- 10 a little bit more about once you read this contribution
- 11 to the record.
- 12 In 2002, I made a decision to focus a portion
- 13 of my organization's resources on attacking what was
- 14 promised to be a significant opportunity for disabled
- 15 veterans, that was being promoted or motivated by
- 16 Public Law 108-183, which was the Veteran Small
- 17 Business Act that President Bush signed, and that
- 18 provided the program enhancements that we were looking
- 19 for.
- 20 Like many veteran business owners, I did the
- 21 Jed Clampett thing. I read that legislation and I
- 22 loaded up my truck and I moved to D.C. What I found

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- 1 when I came here was that there was a lot more to the
- 2 federal contracting process than I was aware of.
- 3 I learned that without the appropriate
- 4 capability and capacity to meet the needs of the
- 5 mission that the agencies were contracting against, my
- 6 preference alone was not enough to get me a contract
- 7 with the federal government and access to what was
- 8 promised to be more than an \$8 billion wealth transfer.
- 9 So I tucked my tail between my legs, jumped
- 10 back in my truck, and went back down to Florida. But
- 11 unlike, I think a lot of veterans that go through this
- 12 process, because of my entrepreneurial background,
- 13 because of my study in the area of accounting, I
- 14 decided to research the matter and see if there was a
- 15 solution to my problem.
- So I acquainted myself intimately with the
- 17 Code of Federal Regulations and with the FAR, and I
- 18 found my way to an authority that allowed small
- 19 businesses to use strategic alliances like joint
- 20 venturing to create the capability and capacity
- 21 necessary to meet the needs of the federal government.
- 22 I established my first joint venture, which ultimately

- 1 landed me on the cover of what then was the Veteran
- 2 Business Journal. Today, you guys know as the
- 3 Vetreneur magazine.
- 4 I started the process of feeding no that
- 5 contract opportunity when I realized that the unique
- 6 pathway that I had been blessed to go through to get
- 7 where I was, was not a pathway that was afforded to
- 8 most veterans. Most veterans spend their entire career
- 9 focusing on duty, service to country and not acquiring
- 10 the business acumen necessary to interface with the
- 11 federal government contracting process.
- 12 So I made it my own personal mission at that
- 13 time to spend my own money to go around the country,
- 14 evangelizing the good news about what was possible for
- 15 the veteran community, utilizing the joint venture
- 16 business model. I don't want to sound like a one-man
- 17 army here, because there are a number of people who
- 18 have contributed to the ascension of the performance in
- 19 that goal, that are here in this room. Some of them
- 20 are here in attendance in this room like Mr. Dennison,
- 21 Mr. Elmore, Mr. Billy Jenkins.
- 22 But what we did during that season was shift

- 1 the paradigm in thinking within the federal contracting
- 2 community, shift the paradigm in thinking within the
- 3 veteran business community, in such a way that there
- 4 has been a demonstrative increase in federal
- 5 contracting.
- 6 Let's get to the point that I want to focus on
- 7 or the functional area that I want to focus on today,
- 8 which I think the committee wants to focus critical
- 9 attention on, and that's the area of education and
- 10 counseling for our veterans.
- 11 When I talk about education and counseling, I
- 12 want to ask those that are responsible for that
- 13 functional area to not endeavor to think outside of the
- 14 box. I want us to approach that task with a
- 15 perspective that there is no box. I'm saying that
- 16 because in many of the training programs that I've had
- 17 a chance to interface with, what I find is this cycle
- 18 of insanity, where we bring individuals into key
- 19 leadership positions that drive strategy for those
- 20 programs, that don't have the appropriate background in
- 21 entrepreneurialism necessary to be of functional
- 22 benefit to the veteran business community.

- 1 So I'm going to encourage us not to operate
- 2 within the box or be tethered to the box, thinking
- 3 outside the box. Let's obliterate the box. Let's make
- 4 sure that we are developing training and counseling
- 5 programs that ready our veteran business community for
- 6 the market need of the millennium that we are in today.
- 7 That training requires us to empower or let me
- 8 say it another way. That requirement, it demands that
- 9 we empower our small business community with the
- 10 ability to utilize strategic alliances, and
- 11 collaborative solutions that are not only going to
- 12 support their ability to help us achieve the small
- 13 business contracting goal in federal contracting in
- 14 federal government, but is also going to prepare them
- 15 for the marketplace of the 21st century, which is an
- 16 international marketplace.
- 17 We have to empower them through our training
- 18 programs, to be able to develop cross-border alliances
- 19 that will allow them to take the ingenuity,
- 20 capabilities and products and skill sets that we
- 21 develop here, and find markets for them in other
- 22 countries.

- 1 We have an example of this occurring
- 2 organically that's been a part of the popular media
- 3 that's been popularized the last couple of days, and
- 4 we've all watched it. But I want to point your
- 5 attention to how that event is associated with this
- 6 factor.
- 7 That's the rescue of the Chilean miners. What
- 8 a lot of people don't realize is the shrinking of that
- 9 time line from mid-February to getting those guys out,
- 10 to the 69 days that it took to get those guys out, was
- 11 the result of the transition of the drilling team to a
- 12 U.S.-based team, which included some of our service men
- 13 and women that were pulled from Afghanistan over to
- 14 create that result.
- That's the ingenuity that this administration
- 16 talks about us tapping into, in an effort to pull
- 17 ourselves out of this economic condition that we find
- 18 ourselves in. I am motivating, I've motivated myself
- 19 to encourage the committee to ensure that as we develop
- 20 these training and counseling programs, that we develop
- 21 two tracks.
- One track to capture our service men and women

- 1 as they transition from service to civilian. We need a
- 2 unique track for them, because they have a skill set
- 3 that we've invested in, that we in many cases allow to
- 4 go dormant because we don't capitalize on it through
- 5 this kind of a program.
- 6 The other track we need to motivate in this
- 7 counseling and training area is the track of capturing
- 8 those veterans that have actually been in the work
- 9 force, displaced perhaps, and are looking to become a
- 10 benefit to their community through access to the spend
- 11 that's available as a result of this benefit.
- 12 The important thing about this, if we look at
- 13 this from the broader scale, is that the foundation
- 14 that these veterans can secure from contracting with
- 15 the federal government, are dollars that they can use
- 16 as a springboard for entering that international market
- 17 of opportunity, which is the new domain that we must
- 18 conquer. So --
- 19 CHAIR JOHNS: Mr. Cotton, if I could ask you
- 20 to please summarize.
- 21 MR. COTTON: I will summarize. Sorry, I tend
- 22 to get long-winded.

- 1 CHAIR JOHNS: No. It's very fascinating
- 2 information.
- MR. COTTON: No, but the rest of my comments
- 4 are available for the record. The ultimate point that
- 5 I want to make is that with the new contract reforms
- 6 that are available in the Small Business and Jobs Act,
- 7 the critical thing that we need to do for our veterans
- 8 today is focus on counseling and training, and I
- 9 encourage the committee to look at some of the
- 10 recommendations I've made as a part of my comment to
- 11 the record, and I thank you for your time and
- 12 attention.
- 13 CHAIR JOHNS: Thank you very much, Mr. Cotton.
- 14 Next we invite to the microphone James Mingey from the
- 15 Veterans Corporation. Good morning, Mr. Mingey.
- 16 MR. MINGEY: Good morning. Hello all. I'm
- 17 Jim Mingey, and I am the last employee and the first
- 18 volunteer of the Veterans Corporation. For those of
- 19 you in the room who don't know much about the Veterans
- 20 Corporation, it is a 501(c)(3) created by Congress in
- 21 1999, that has the mission to do some of the same
- 22 things of this committee.

- 1 Its funding was taken away two years ago, and
- 2 I approached the board of directors to take over the
- 3 corporation and make it a self-sufficient entity, which
- 4 was the mandate of the original legislation. So what
- 5 we've been doing is acting as a veteran,
- 6 service-disabled veteran incubator over the last two
- 7 years.
- 8 I won't belabor you with all of our -- the
- 9 details of what we're doing. I just submitted a
- 10 report, however, to the President and Congress about
- 11 what we're doing, which was also submitted to this
- 12 committee, and I'd like to make that report a part of
- 13 the record, and I encourage all of the members to read
- 14 it. If you need to drill down on anything associated
- 15 with it, I'd be happy to talk to you as time goes on.
- There's a couple of things in that report
- 17 though, I think, that are important for me to
- 18 emphasize. I am thrilled that this meeting is
- 19 happening. I applaud the President for issuing the
- 20 executive order in April. However, as many of you know
- 21 in this room, this meeting has been planned for two and
- 22 a half years.

- 1 This is part of a law called Public Law
- 2 110-186. This committee was supposed to be happening
- 3 in the summer of that year. It didn't happen for a lot
- 4 of different reasons, and I don't want to be a
- 5 stone-thrower. But I do want to say that it's great to
- 6 talk about the future, but there's certain things right
- 7 now that are important, that I think this committee can
- 8 influence and make veterans and small business benefit,
- 9 and make our economy benefit right now.
- 10 Specifically, the program that is talked about
- 11 a lot is the Patriot Express program, and Mr. Elmore
- 12 mentioned something I really didn't get, fully
- 13 understood, but of combining the rest of the SBA
- 14 programs to help veterans. But we have one program
- 15 right now that's a three-year pilot, and it's in
- 16 jeopardy of expiring. That program, in my mind, would
- 17 be a tragedy for us to go backwards in the veterans
- 18 movement.
- I point that out because for the last two
- 20 years, the priorities that I'd like this committee to
- 21 consider are the same ones that were presented to the
- 22 SBA Advisory Committee over the last two years, that

- 1 being that the Patriot Express program is a valuable
- 2 tool, and I believe it should be coupled to what's
- 3 called the New Markets tax credit program of the United
- 4 States Treasury.
- 5 That would enable young veterans and small
- 6 business people to get some equity out of tax credits
- 7 that could drive their business with. That's my
- 8 opinion, but in 2008, we asked the American Legion and
- 9 we also asked VET-Force to look at that issue, pass
- 10 resolutions on it and submit it to this agency for
- 11 review.
- 12 It's something that could be done right now.
- 13 It doesn't cost any money. It's just a tool that
- 14 veterans could use to help generate businesses and
- 15 loans to create jobs, and drive community development
- 16 in this country. That's my one soap box.
- 17 Number two soap box is mentoring. I've spent
- 18 the last year still operating a help desk for the
- 19 Veterans Corporation, and we've served more people in
- 20 the last year than we did when they were funded by
- 21 Congress. I'm very proud of that, and I'm proud that
- 22 not only that, that there is a movement going on in

- 1 this country of young veterans. I am thrilled to see
- 2 the Student Veterans of America on this committee.
- 3 I think that they're a wonderful organization,
- 4 and there is where we have to transfer the next ten
- 5 years to, because I'm not going to be around ten years
- 6 from now. But the younger generation is now ready to
- 7 take over the power of this movement, and they should
- 8 be. There are local organizations such as the U.S.
- 9 Veterans of Chamber of Commerce, which sounds like a
- 10 nice national organization.
- 11 It's in Dallas, Texas, and they have 50 local
- 12 businesses that are meeting every month on a one-to-one
- 13 basis. Without any money, they've already replicated
- 14 in two states. So I encourage this committee to look
- 15 hard at that sort of model, and try and promote and
- 16 think about the local aspects of that.
- 17 Mentoring to me, after exploring this for two
- 18 years now, came down to the fact that it wasn't just
- 19 SCORE, which is a great organization that does
- 20 counseling and is supported by SBA. They have one
- 21 particular model.
- I believe that mentoring should be applicable

- 1 to every federal agency, and in trying to promote that
- 2 concept, I have reached out to the GSA and to DOD, who
- 3 have supported doing mentoring, what we call one minute
- 4 mentoring, which is who's willing to answer a question
- 5 for a veteran on how to get in business.
- If they're ready, answer. Let's go. We have
- 7 ten universities now willing to support that. GSA's
- 8 been very helpful, as I said, and so we're going to
- 9 proceed with that on a private basis, privately funded,
- 10 and we're happy to explore that and we're happy to
- 11 provide the technology to anybody in this room who
- 12 wants to use that tool.
- So having said that, I get back to my -- my
- 14 points here are let's make this permanent now. It's
- 15 great we're going to issue a report a year from now,
- 16 but that program is going to expire at the end of the
- 17 year. What is the plan, and if this committee lets
- 18 that go by, shame on all of us.
- 19 So the second point of this is this New
- 20 Markets tax credit program is a \$5 billion resource
- 21 that is available for small business. It is mainly
- 22 gone, and it's a good project, but larger real estate

- 1 projects, funded by banks. But we need to get that
- 2 resourced down to small businesses, and veterans are
- 3 the best way to drive this in the local community.
- 4 Recently, there was legislation passed that
- 5 Don referenced. There is an element in that
- 6 legislation that was promoted by the American Legion,
- 7 which is just terrific, and that is creating a mentor
- 8 protegee program inside the SBA, that will help large
- 9 companies be encouraged to partner with small companies
- 10 doing what Mr. Cotton talked about, of creating more
- 11 energy and teaming partnerships, etcetera.
- I bring that up because this potential
- 13 opportunity needs to be developed in a rulemaking
- 14 process, which hopefully will happen as fast as
- 15 possible, but certainly over the next six months. I'm
- 16 bringing it up now, because I'm encouraging the
- 17 committee to get involved in that rulemaking process,
- 18 and the public to get involved in that rulemaking
- 19 process, so that we can have some rules that accelerate
- 20 that teaming.
- Just in closing, I'm a Vietnam veteran myself.
- 22 I'm a combat veteran who is committed to the rest of my

- 1 life to help veterans. I am happy to take a call from
- 2 anybody. The help desk is open 24-7, and I'm happy to
- 3 help this committee on or off line anytime. Thank you
- 4 for your attention.
- 5 CHAIR JOHNS: Thank you very much for being
- 6 here and John, a comment.
- 7 MR. GARCIA: Madam Chair, let me just first of
- 8 all, if I can, just make a statement about the three
- 9 presentations. There are four of us, yes, that
- 10 represent veterans out there. Let me just clarify
- 11 first. You know, I'm a Vietnam vet like Jim. We each
- 12 have a CIB, a combat infantry badge.
- 13 But I think we all in here have a combat in
- 14 business badge also. I'm just a veteran business
- 15 grunt. But the thing that I've heard that was a common
- 16 thread among all this is that there's a sense of
- 17 urgency.
- 18 At the last first meeting that we had, the
- 19 preliminary meeting before this one, it was discussed
- 20 that, and I'm glad that Matt Walker made mention that
- 21 this committee should have come together in 2007. We
- 22 know that, and a lot of you have been out of the

- 1 trenches like -- out there for the last, since 1998,
- 2 '99, 2005, Scott, everybody.
- 3 You all have the answers, and at the meeting
- 4 we had last month, it was discussed to bring all of you
- 5 in here so we don't reinvent the wheel, you know.
- 6 There's a sense of urgency. I don't want to turn
- 7 around and have this committee give a report a year
- 8 from now. We have -- the reports are in, as James was
- 9 saying, and take the information that you all have
- 10 right now and put some things in place ASAP,
- 11 immediately, and give a report that says that this has
- 12 been done and other additional recommendations.
- 13 That's the purpose of this particular meeting
- 14 is, you know, Mr. Cotton was talking about educating
- 15 and training. He also alluded to there is an emergency
- 16 time line that we've got to get, you know. If we can
- 17 bring 30 men out of the earth on an emergency time
- 18 line, we can certainly put our best to work, create
- 19 business opportunities. It's there.
- 20 So the fact that this committee is now
- 21 created, I think, I just don't want to turn around a
- 22 year from now and give a report, with one year left in

- 1 an administration, when this thing was 2007, and all of
- 2 you have some ideas of what we need to put in place
- 3 right now and make it work.
- 4 There's some new legislation that's in place,
- 5 you know, \$30 billion of the Small Business Act. Take
- 6 ten percent of that and earmark it for vet biz. Let's
- 7 just make this happen now. So I think the purpose of
- 8 this meeting is to get the information from you all
- 9 that's been out there in a trenches and say all right,
- 10 let's package this thing.
- 11 Let's laser sharp it and let's make it work
- 12 immediately, and yeah, hand in a report, Ms. Johns.
- 13 But also let's make things happen before that report is
- 14 also submitted, so that this Public Law 110-186, we can
- 15 catch up to it, and, we can make it happen like
- 16 overnight. I know we can do that.
- 17 I mean there's 26 million of us, 3.6 million
- 18 veteran businesses. Just in my little state, I've got
- 19 16,000 veteran businesses, and that data you all put
- 20 out is a tremendous help, for us to begin to identify
- 21 who we are. So I think if we just team up and let's
- 22 just laser this thing, I think we can hit it

- 1 immediately. James.
- 2 MR. WIFONG: Let me just say that I support
- 3 everything Mr. Garcia says. I think we can do things
- 4 very quickly. I think, as I said earlier, we can do
- 5 things that are game-changing and not just tinkering
- 6 around the margin. I just think of what it would do
- 7 for the jobs program in the United States if each one
- 8 of the 3.6 million small business owners that are
- 9 veterans were to hire just one person.
- 10 All of the sudden, it would change things
- 11 around. So we have the ability to do that with small
- 12 business, and I think, you know, I think it's exactly
- 13 the right thing.
- 14 We do have a lot of ideas out there that I
- 15 think we can bring to bear very quickly. By the next
- 16 time we have a meeting, I'm not sure when that is, if
- 17 it's November or December, but I think we could have
- 18 all ready to go something that looked pretty good.
- 19 CHAIR JOHNS: All right. Thank you both, and
- 20 I think James, that's a good seque to getting back to
- 21 hearing from our public. There are lots of good ideas
- 22 out there, and we want to hear from you all.

- 1 We've heard from the individuals who have
- 2 signed up to testify, and so now we'll take folks in
- 3 order who would like to give a statement who are in the
- 4 room. If you'd please give your name and your
- 5 organization once you go to the podium? Thank you.
- 6 MR. HESSER: My name is Bob Hesser. I'm with
- 7 VET Force. I'm the first co-chair. Been involved in
- 8 this since '98, when we met over at the ASDV
- 9 headquarters, celebrating the near-passage and then
- 10 after that the passage of 106-50.
- 11 This whole paper here, I understand the
- 12 purpose of this task force is for business development.
- 13 I think there's something that I don't, I personally
- 14 don't want to see it pushed back, and I think that it's
- 15 been for the VET Force also.
- 16 106-50 included a three percent procurement
- 17 from the federal government for service-disabled
- 18 veterans. It also included a request, there was a
- 19 veteran goal set by every agency, and no agency set a
- 20 veteran goal until we passed 109-461 with the VA, and
- 21 that was part of the intent of 109-461, was to get that
- 22 three percent for veteran perhaps higher. Of course

- 1 now it's going up and up and you have two different
- 2 goals in the VA.
- We now, it seems like every time I come to a
- 4 vet or when we talk even at the VET Force, we end up
- 5 talking about improving the service-disabled veteran.
- 6 We don't speak much about the veteran-owned business.
- 7 Then even more than that, we're missing the biggie.
- 8 The real biggie is the requirement for primes, large
- 9 businesses, to have a small business plan that is
- 10 executed, that is enforced.
- 11 You cannot develop business for a
- 12 service-disabled veteran or a veteran-owned business if
- 13 you do not take in consideration and push as hard as
- 14 you can to get those large businesses to start making
- 15 their three percent that they have.
- 16 They're also encouraged in the law, in the
- 17 original intent of those laws, which is the same thing
- 18 for veterans. But at least let's get them held to the
- 19 law, which is service-disabled veterans, three percent.
- 20 They should be able to do that. There are billions of
- 21 dollars going to those guys, and we're getting none of
- 22 it.

- 1 I work with a lot of service-disabled veterans
- 2 who are starting out, and they're really suffering.
- 3 Just one small subcontract can help them out a lot, if
- 4 they play by the game. There are some real good primes
- 5 out there who are doing a good job. I say there's
- 6 some. But you know, we need to concentrate on that.
- 7 I don't want the board, the task force to get
- 8 away from that. Don't ever forget that business
- 9 development will not happen if you do not get those
- 10 large company supporting them. Thank you.
- 11 CHAIR JOHNS: Thank you, Mr. Hesser. I wanted
- 12 to make sure that we focus on the fact that one of the
- 13 six committees that we have under the task force
- 14 umbrella is the Committee on Achieving Federal
- 15 Contracting Goals, that's co-chaired by JiYoung Park
- 16 and from GSA, General Services Administration, and
- 17 Linda Oliver from DOD. If either of you'd like to
- 18 comment.
- 19 MS. OLIVER: It's nice to see you. We've
- 20 worked together for a long time. The veterans have
- 21 been really instrumental in having the numbers go where
- they've gone on service-disabled veteran-owned small

- 1 business numbers, go where they've gone. I was just
- 2 looking at the numbers yesterday.
- 3 We have been, we the Department of Defense,
- 4 have been on a sort of steady uphill roll. We don't
- 5 have the 2010 numbers yet, but I'm very hopeful about
- 6 them. I can only say thank you.
- 7 It has been, to a great degree, through the
- 8 VET Force groups, the American Legion, all the
- 9 veterans, that we have been able to do over time. I
- 10 think it's invigorating to have, because we're getting
- 11 to the harder part now, really. We've picked a lot of
- 12 the low-hanging fruit in terms of --
- Also it's invigorating to me to suddenly have,
- 14 to have the veterans back again helping us focus on
- 15 activities.
- 16 CHAIR JOHNS: Okay, thanks Linda.
- 17 MS. PARK: Thank you, Mr. Hesser, for that
- 18 comment, and I thank you for making sure that the
- 19 subcontracting piece was made explicit during this
- 20 meeting, because I think you're right. I think too
- 21 much emphasis is placed on the prime loan law, and not
- 22 enough on subcontracting and really making those

- 1 opportunities available and holding people accountable
- 2 to the law.
- 3 I also want to thank SBA's leadership in this
- 4 administration, at placing greater value and greater
- 5 transparency on subcontracting than it has been in the
- 6 past. So thank you for that comment, and we'll be sure
- 7 to include that in our recommendations.
- 8 CHAIR JOHNS: Okay. Thanks. Good morning.
- 9 MR. DENNISTON: Good morning. Scott Denniston
- 10 with the National Veterans Small Business Coalition,
- 11 and it's good to see all of my old friends in the
- 12 audience too. I would like to officially volunteer to
- 13 help JiYoung and Linda with their subcommittee on the
- 14 procurement issues.
- You know, there's just so many things that
- 16 this group can look at, and getting to Jim and John's
- 17 point, I think one of the things that we need to do is
- 18 to focus, and focus on some very specific goals and
- 19 objectives, short-term and long-term.
- You know, I think about Gordon being here and
- 21 I think about some of the challenges we know are in the
- 22 transition assistance program, as an example. You

- 1 know, everybody says well, we've got to help veterans
- 2 right away as soon as they get out.
- 3 But the reality is that from those of us that
- 4 have been in it for the last 20 years, veterans don't
- 5 start small businesses as soon as they get out of the
- 6 military. That doesn't happen until 10, 15 years down
- 7 the track.
- So the challenge we have is what can we put in
- 9 front of the veteran today that they're going to
- 10 remember in 10 or 15 years? How do we do that outreach
- 11 to take care of those folks that may not think about
- 12 entrepreneurship as a goal for another 10 years? I
- 13 think that one of the big things that we're missing, if
- 14 we're really serious about goals or I'm sorry about
- 15 jobs for veterans, veterans take care of veterans.
- I would argue that the best resource to get
- veterans employment is Tim Forman's database of 15,000
- 18 veteran-owned businesses. I mean John, it would be
- 19 nice to identify those 3.5 million, but I think that
- 20 might be a little unrealistic. But we know who those
- 21 15,000 are that are on the database.
- 22 I agree with you. There's an email that comes

- 1 out from this organization, from Secretary Shinseki,
- 2 saying commit to hiring one veteran. We'll have more
- 3 commitments for veterans jobs. The challenge then is
- 4 how do we match those. So that's part of the
- 5 challenge.
- I wanted to give you two anecdotal stories
- 7 that I think are something that particularly the
- 8 subcommittee needs to consider on procurement. I had
- 9 the opportunity yesterday, I was out in Dayton and
- 10 Wright-Patterson Air Force Base, and Linda, the good
- 11 news for the Air Force is is that they say their
- 12 numbers for ten, for service-disabled vets have gone
- 13 from .9 to 1.1 percent. So we've made that.
- 14 Now the bad news is is that their overall
- 15 numbers for small business are going to go from 19 to
- 16 17 percent, and if we look at the number of discrete
- 17 vendors that the Air Force is working with, in the last
- 18 five years, while their budget has gone up 25 percent,
- 19 the number of vendors they've worked with has gone down
- 20 15 percent, which gets to that consolidation and
- 21 bundling.
- 22 But the issue yesterday at Wright-Patterson

- 1 was the fact that Wright-Patt spends about \$10 billion
- 2 a year, less than two percent of which stays in the
- 3 Dayton community. The issue becomes, and I know we
- 4 can't do things on a local basis, but the issue is
- 5 access to information.
- 6 For the big guys who line the roads around
- 7 Wright-Patt have access to the decision-makers and the
- 8 program managers and where the Air Force is going to be
- 9 spending their money, small businesses don't have that
- 10 access. One of the real challenges, I think, is how we
- 11 can level the playing field for that.
- 12 That's going to be a challenge, but we've got
- 13 to figure out a way for a lot of the communities.
- 14 TACOM is another one up in Warren, Michigan, where so
- 15 much of the money leaves the local area, which I don't
- 16 think is good for the local economies and the jobs and
- 17 those things that we're looking at.
- 18 The other anecdotal story I want to share with
- 19 you was last May, I had the opportunity to be the
- 20 keynote speaker at the Colorado State small business
- 21 conference in Colorado Springs, and of course Colorado
- 22 Springs is an Air Force and Army town, between Peterson

- 1 Air Force Base and Fort Carson.
- 2 One of the topics of discussion was
- 3 in-sourcing, and we have small businesses out there
- 4 who, in the past two years, have lost half of their
- 5 employees and half of their revenue because of
- 6 in-sourcing. We've talked with OMB about that, and
- 7 don't get any real good answers. We've talked to SBA
- 8 about that, don't get any real good answers about how
- 9 we can protect the small business community.
- 10 But I think that's another issue that the
- 11 subcommittee on procurement needs to look at, because
- 12 in-sourcing is seriously hurting small businesses right
- 13 now. Again, whatever I can do and I know there's other
- 14 folks here in the room that would love to volunteer to
- 15 be on some of these subcommittees that you've got, so
- 16 just let us know how we can do that and how we can help
- 17 you. Thank you.
- 18 CHAIR JOHNS: Thank you, Scott.
- 19 MR. GARCIA: Quickly Scott, as a Secretary for
- 20 Veteran Affairs, I honestly believe that, and maybe I'm
- 21 hearing something you're saying that could be a
- 22 recommendation of this committee, of the 3.6 million

- 1 businesses out there.
- 2 I honestly believe that through the State
- 3 Directors of Veteran Affairs, my counterparts, I'm
- 4 currently working with my Public Regulatory Commission
- 5 and Secretary of State to identify my 16,000 veterans
- 6 small businesses.
- 7 They can do that. they have that information,
- 8 and I just think if we had a recommendation tasking the
- 9 states with identifying their veteran business owners
- 10 and making it a priority, it can be done. I need that
- 11 database, and we're working on that as we speak right
- 12 now.
- I just think that there is a way to identify
- 14 that, but some of this responsibility has got to be put
- on the states themselves, the governors, my
- 16 counterparts, you know, those directors, secretaries of
- 17 veteran affairs, teaming up with the SBA.
- 18 Because we're the point man. We know where my
- 19 veterans are, where the VFW, American Legion, all those
- 20 guys are at, the student vets, and every one of these
- 21 small business owners have to register with the state.
- 22 That data is in the system. So I just think that each

- 1 state and each director or secretary of veteran affairs
- 2 and each governor can make a mandate that veteran
- 3 businesses are identified.
- We created this urgency, this laser point
- 5 thing that you're alluded to, that we've got to just
- 6 get focused on. So I believe we can do that. I'd like
- 7 to maybe take that and make it as a recommendation.
- 8 MR. DENNISTON: John, maybe a way to handle
- 9 that, since we already have a concrete database of
- 10 these 15,000, that's the short-term objective, and what
- 11 you're talking about is a long-term objective, and how
- 12 we go about doing that. I think you have a sense --
- MR. GARCIA: But we just need a plan of
- 14 action. That's it.
- 15 CHAIR JOHNS: Okay. Scott, thank you very
- 16 much. Thanks for being here. How many more people are
- 17 interested in making a statement? Okay. We have a
- 18 break scheduled, so I'm wondering if we should take a
- 19 very quick bio break and then come back and hear from
- 20 the remaining individuals. Is that agreeable? Okay,
- 21 thank you. So we're going to break for ten minutes.
- 22 (Whereupon, a short recess was taken.)

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- 1 CHAIR JOHNS: All right. So let's hear from
- 2 our next speaker.
- 3 MR. GIBBS: Good morning. Hello, hello? Good
- 4 morning. I wanted to just offer --
- 5 CHAIR JOHNS: Identify please.
- 6 MR. GIBBS: My name is Peter Gibbs. I am the
- 7 Deputy Director for the Office of Surety Guaranty here
- 8 at SBA. I'm a kind of unique individual. I'm a
- 9 lieutenant colonel in the Army Reserves. I have 20
- 10 years at SBA. I worked in the small business
- 11 investment program for about 14 years, and just got off
- 12 of active duty in June. Just came back. I've been
- 13 deployed for the past four years at the Pentagon, and
- 14 I've spent time in the war for two of those four years.
- I just wanted to just say that, you know, I'm
- 16 giving you a new perspective. I think that there is
- 17 a -- what I would like the committee to do is that
- 18 being a reservist and also being on active duty, some
- 19 thing, there seems to be a disconnect between the
- 20 soldiers, service members and business opportunity.
- I find myself, whenever I got to drill and for
- 22 the four years in active duty, I was given classes on

- 1 business, because you know what, I'm SBA. I even had,
- 2 I brought my entire team to Mr. Elmore, and he gave
- 3 them a class on what's available for veterans. So the
- 4 one point I want to make is that as a soldier, when
- 5 you're at a Reserve unit on active duty, you don't know
- 6 what's available, what veteran resources are.
- 7 I'm telling you from experience. Somehow,
- 8 there needs to be a connection between someone leaving
- 9 active duty, leaving the Reserves, knowing what is
- 10 available from all these different agencies when they
- 11 retire, when they get out after five years, after two
- 12 years or whatever. So that's the point that I want to
- 13 make. We need to eliminate the gap. A gentleman
- 14 before me, I think he said that you don't, a veteran
- doesn't really start businesses until 10, 15 years
- 16 later.
- 17 I think that if they were more informed, that
- 18 gap will be shorter. So that's the point I want to
- 19 make. I'm at SBA, Office of Surety Guaranty. We
- 20 provide guaranty bonds to construction companies and we
- 21 do a significant part of our business to veterans. All
- 22 right, thank you.

- 1 CHAIR JOHNS: Thank you, Peter. Yes.
- 2 MR. WYNN: Good morning. Good morning. I'm
- 3 Joe Wynn. I'm president of the Veterans Enterprise
- 4 Training and Services Group.
- 5 (Off mic comments.)
- 6 MR. WYNN: Great. Good morning. First let me
- 7 say good morning to the Interagency Task Force,
- 8 Chairman Johns, members and also veterans and other
- 9 guests here this morning.
- 10 Again, my name is Joe Wynn. I'm the President
- of the Veterans Enterprise Training and Services Group,
- 12 a member of the National Association for Black
- 13 Veterans, and also a member of the Veterans
- 14 Entrepreneurship Task Force. It's through that task
- 15 force that I've probably spent most of my time focusing
- on a lot of the issues pertaining to veterans small
- 17 businesses.
- 18 Let me just quickly mention just that the task
- 19 force many of you know, and many of you know me as
- 20 well. The task force has been around for, since 1998,
- 21 and it's been looking at a number of these issues. A
- lot of work we're talking about today and some of the

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- 1 work that we may not be able to get to today because
- 2 time won't permit.
- 3 But anyway, I just wanted to focus on a
- 4 couple. First of all, I think somebody had already
- 5 mentioned too, that this interagency task force should
- 6 have been formed a couple of years ago. Be that as it
- 7 may, we're here today, and I'm personally hopeful that,
- 8 you know, we're going to move in a positive direction,
- 9 to see how we can increase contract opportunities for
- 10 veteran- and service-disabled veteran-owned businesses.
- But at some point, the talking has to stop.
- 12 mean we've been having discussions for years on a lot
- 13 of these same topics, and it's got -- we've got to get
- 14 to the action. We've got to get to the implementation
- 15 phase of increasing these opportunities for veterans.
- We started off a few years back with a minimum
- 17 three percent goal for service-disabled vets. Very few
- 18 agencies, as you know, have made the goal, and some
- 19 that have made it have not made it consistently.
- 20 Even those that have made it, just barely made
- 21 it, and even the Department of Defense, the largest
- 22 contracting group among the agencies, has not made it,

- 1 and they're producing our veterans and service-disabled
- 2 veterans.
- 3 So we owe it to these veterans to do a lot
- 4 more than we're doing. Hopefully, this task force can
- 5 look at some ways, some things that can be implemented
- 6 and implemented now. We need to expand the pool of
- 7 capable and qualified veteran business owners.
- 8 We keep hearing these issues about contracting
- 9 officers can't find enough veterans in order to
- 10 contract with. Those veteran business owners who are
- 11 out here, those that are around the country don't
- 12 agree. I don't agree as well.
- We do, though, need to tie this in with this
- 14 issue of parity, which fortunately in the recent
- 15 legislation, the Small Business Jobs Act, we finally
- 16 got that one little word changed, at least it changed
- 17 in one of the statutes, where now contracting officers
- 18 "may contract with service-disabled vets, hub zones,
- 19 women and 8(a)'s." But it's really not true, equal
- 20 parity, and I hope we all realize that.
- 21 At least though, it gives contracting officers
- 22 more of an option to use service-disabled vets, and

- 1 less of an option to say we cannot. Hopefully, we'll
- 2 find some ways, though, to enforce this statute, the
- 3 new statute, and try to get some use of
- 4 service-disabled vets more often.
- 5 One thing I wanted to point out too is that
- 6 under a previous statute, 108-183, it talked about the
- 7 service-disabled vet program, and that you can set
- 8 aside contracting opportunities for service-disabled
- 9 vets if you have two or more. Well, two or more, when
- 10 I read it in the statute, I'm reading two, a minimum of
- 11 two or more, not at least six.
- 12 That's what seems to happen when you talk to
- 13 contracting people. They say well, I only can find
- 14 five or six veteran businesses. So we didn't set it
- 15 aside. Five or six? The statute said two or more, and
- 16 it didn't say that the two or more that you may find,
- 17 or even if it's five or six, that you have to like
- 18 them. You don't have to like them. The question is
- 19 that they're capable to do the work at a fair and
- 20 reasonable rate.
- 21 When they find them, sometimes because they
- 22 don't like them, they will pull the contract back and

- 1 reissue it to all small businesses. Now how are we
- 2 going to increase contract opportunities for
- 3 service-disabled vets if once we put it out there we
- 4 pull it back? So I hope that this task force will look
- 5 at that practice and behavior, because it's not right.
- Also, as we talk about expanding the pool,
- 7 we've got -- for several years we've been working with
- 8 the VA small business verification database. We've
- 9 spent thousands of dollars, it might be in the millions
- 10 by now, developing this database, putting manpower into
- 11 it, and now I come in this morning and I hear that
- 12 legislation is being directed or targeted at taking out
- 13 those veterans who have been in the database, as many
- 14 as possibly 11,000 of them, taking them out, and then
- 15 do what? Have them reapply, start all over again, when
- 16 the process is already woefully slow.
- 17 Now if we really want to create opportunities
- 18 for our veteran business owners, and we want them
- 19 verified, we want to make sure that they are who they
- 20 say they are, we need to put a little more, a few more
- 21 dollars into the process perhaps, put some manpower
- 22 into it, and make it work. Let's not go backwards.

- 1 Let's not step backwards at this phase in the road, you
- 2 know, in the process.
- 3 We've been at this thing for several years
- 4 now, and we need to get more veterans in the pipeline.
- 5 So perhaps we may need to break that process down into
- 6 a two-step process.
- 7 The first part of the process, and I mentioned
- 8 this before at a hearing probably two years ago, why
- 9 not verify the status of the veteran business owner
- 10 first? Let's make sure they're a veteran; let's make
- 11 sure they're a service-disabled veteran; let's make
- 12 sure they're actually the owner, and that's step one.
- 13 Now we know we've got a veteran-owned business, okay.
- 14 Then step two, we can start looking at
- 15 managing the day-to-day operations, core competencies
- 16 and other things such as that. Just a thought. Just a
- 17 suggestion.
- 18 My final comment is this. We're still
- 19 concerned and we have an emphasis on contracting with
- 20 vets first, especially in the VA under the statute
- 21 109-461. But we are constantly getting feedback from
- 22 veteran business owners that they're not being looked

- 1 at first, even within the VA.
- Veteran businesses are putting in proposals,
- 3 they're capable and qualified to do the work, and in
- 4 certain venues throughout the country, within the VA,
- 5 they're still overlooking the veteran and contracting
- 6 with others. That's got to stop. If we're going to do
- 7 veterans first, let's do veterans first.
- 8 In closing, let me just say that the more
- 9 contracts that we are able to get out there to veteran
- 10 and service-disabled veteran business owners, the more
- 11 likely we're going to have more veterans being hired.
- 12 We're talking about creating jobs and hiring veterans.
- 13 Who's more likely to hire veterans than other veterans?
- If we get these contracts out to the veterans,
- 15 we're going to have more veterans being hired. We're
- 16 going to have more families being taken care of, and
- 17 we're going to have less veterans out here going
- 18 through transition and ending up in homelessness, okay.
- 19 So it all ties together. This was not, this
- 20 whole service-disabled veterans, federal procurement
- 21 program, was not given to veterans just simply because
- 22 they were socially and economically disadvantaged. It

- 1 was an earned opportunity, and at the time when
- 2 Congress passed the law creating the program, they felt
- 3 that it was long overdue, that veterans should have an
- 4 opportunity to participate in the American dream.
- 5 Well let's let them participate. Let's get
- 6 them in and get them the contracts, so they can be
- 7 viable and be healthy and productive citizens of this
- 8 nation. Thank you.
- 9 CHAIR JOHNS: Thank you, Joe. Thank you very
- 10 much. Anyone else? Yes. No, we're all here for the
- 11 same purpose. Thank you.
- 12 MS. HOPPIN: Good morning. Thank you for the
- 13 opportunity to speak. This is ad hoc, so forgive me if
- 14 I'm not as articulate as everyone else. I'm the
- 15 founder. My name is Sue Hoppin. I'm the founder of
- 16 the National Military Spouse Network. I'm on the board
- of directors of Blue Star Families, and I'm currently
- 18 an Air Force spouse.
- 19 I wanted to thank Mr. Elmore and also
- 20 reinforce his comments regarding a push for eligibility
- 21 for these programs, to mirror those eligibilities for
- 22 the Patriot Express loans. You know, as military

- 1 spouses, you know, as we all know in the military, if
- 2 the spouse is served well the family is served too.
- 3 There are a number of military spouse business
- 4 owners out there. We're a small number, but we would
- 5 also benefit from access to these programs as well.
- 6 You talk about one of your core competencies, the
- 7 number five issue that you have in getting access to
- 8 the information and the training to our veterans.
- 9 As many of these veterans in this room can
- 10 attest, the easiest way to get the information to the
- 11 veterans is to get it in the hands of the spouses,
- 12 because there's nothing like a spouse to get that
- 13 information out there.
- So you know, you may not be able to reach them
- 15 where they need the information about point of
- 16 delivery, point of service, but the spouse, who's the
- 17 information-gatherer, is the a natural person to say
- 18 hey, you haven't really explored all your options. You
- 19 have the top program telling you to go into corporate
- 20 careers or to, you know, subcontract or whatever. But
- 21 did you ever think about veteran entrepreneurship?
- 22 Thank you.

- 1 CHAIR JOHNS: Thank you, Sue. Yes sir, and
- 2 then the gentleman behind you.
- 3 MR. SILLS: Is this working? thank you.
- 4 Thank you so much everyone for taking the time and for
- 5 convening. This is absolutely critical and essential
- 6 to help veterans in the business arena. Thank you very
- 7 much.
- 8 My name is Charles Sills. I'm head of
- 9 government contracting for a company, a
- 10 service-disabled veteran-owned business called
- 11 Trillacorpe Construction, and very briefly, I just
- 12 would like to leverage and play off a couple of the
- 13 comments that were made already by people here, and the
- 14 two areas are that we should be spending more attention
- 15 on getting the prime contractors to subcontract to
- 16 veteran-owned companies, and second, in terms of
- 17 business opportunities, we should be looking at those
- 18 essential growth sectors in the present day economy.
- To put those two things together, our company,
- 20 because it's involved in construction, is involved on
- 21 the one side very much in energy savings upgrades to
- 22 military and government facilities, and on the other

- 1 side, to facility security upgrades and projects.
- 2 So if we look at some of the main growth
- 3 areas, we're looking at energy, security and of course
- 4 also medical and health care. I think these
- 5 three -- there are other growth areas, but these are
- 6 the three that our company has concentrated on, in
- 7 order to begin to spearhead a training, vocational,
- 8 technical and professional training program for
- 9 veterans.
- 10 We've put this together in a proposal to a
- 11 Veterans Administration for innovation program, but I
- 12 quess the point I want to make is that all of us who
- 13 are involved in small businesses and have had any
- 14 relationships with primes, can try to get and leverage
- 15 those primes to expand their training programs or to
- 16 create them for veterans.
- 17 In our case, we've created partnerships with
- 18 companies including Johnson Controls International,
- 19 Snyder Electric and the Eden Corporation. These are
- 20 20, 30 billion dollar companies, and each of them does
- 21 have its own nationwide internal professional and
- 22 vocational training program.

- 1 I think if we can get these kinds of
- 2 companies, as we're trying to do, to leverage and focus
- 3 us more towards especially outreaching towards the
- 4 veteran community, this would be an immense help in
- 5 immediate training programs for existing and returning
- 6 veterans.
- 7 So it's just that kind of idea I'd like to
- 8 throw out. Thank you so much.
- 9 CHAIR JOHNS: All right, thank you.
- 10 MR. HILL: Good morning. My name's Terry
- 11 Hill, and I am a veteran small business owner. But for
- 12 up until April and the last 25 years, I was involved in
- 13 small business trade association work. Two of the
- 14 associations, National Federation of Independent
- 15 Business and the International Franchise Association,
- 16 helped me in lots of ways see, as a veteran,
- 17 opportunities and shared those opportunities.
- 18 I've had great relationships with Bill Elmore,
- 19 Scott Denniston, who helped veterans immensely. I
- 20 wanted to share with you a success story, especially
- 21 from the franchise side. Through Scott's work and
- 22 Bill's, and some information that was shared with a

- 1 veteran himself, the idea of getting veterans discounts
- 2 to buy franchise businesses emerged within the last ten
- 3 years.
- 4 Now this sounds like a drop in the bucket at
- 5 what we're looking at, but we were able to get 1,700
- 6 plus veterans into a franchise businesses with these
- 7 discounts. The point I'm trying to make or would like
- 8 to make here is let's talk to each other in this room,
- 9 because there is a tremendous amount of information and
- 10 resources that we all have, that we can share with each
- 11 other, and keep one thing in mind.
- 12 Even though we know that government and
- 13 defense is the biggest industry in this town, the next
- 14 biggest industry is trade associations. Everybody in
- this room is probably a member of some type of trade
- 16 association, and through that, I'd like to encourage
- 17 you to leverage information out to veterans.
- 18 One of the biggest difficulties I've faced
- 19 over the past 25 years of sharing these opportunities
- 20 with veterans was getting the information to them.
- 21 It's almost impossible a lot of times to penetrate the
- 22 military, to get information beyond the gates of the

- 1 base, and I've had opportunities to speak in places
- 2 everywhere from Walter Reed to smaller military bases.
- 3 But I think if we could work somehow to come
- 4 up with a better and direct channel to get this
- 5 information to the veterans about what's available, as
- 6 the colonel mentioned earlier in this section, I think
- 7 that would go a long way towards helping these folks.
- 8 This is very important.
- 9 A few years ago, I had an opportunity to meet
- 10 with a delegation from China, who wanted to talk about
- 11 franchising. This was many, many years ago, and we
- 12 weren't quite so friendly with the Chinese at that
- 13 time.
- Well, one of the things the Chinese were
- interested in, they did not say directly but I was
- 16 talking with a consultant who worked with them for many
- 17 years, was that the Chinese were concerned that a lot
- 18 of the people coming out of the military didn't have
- 19 jobs, didn't have places to go to earn livelihoods, but
- 20 they have been trained for other things.
- 21 They didn't want them coming back into society
- 22 trained as military people. They wanted them to be

- 1 productive citizens. Of course, we helped with a lot
- 2 of trade on that, but at the same time, that idea of
- 3 quick training, of getting information out to people
- 4 who can change their livelihoods, I think it's crucial.
- 5 I just want to say thanks to SBA and VA for
- 6 helping out with this Vet Friend program that we built.
- 7 It's still growing and we're glad to share information
- 8 on that. But also, please help communicate through
- 9 your trade association and your organizations any way
- 10 you can. Thank you very much.
- 11 CHAIR JOHNS: Thank you very much.
- MR. STERLING: Good morning.
- 13 CHAIR JOHNS: Good morning.
- MR. STERLING: My name is Jeff Sterling, and
- 15 I'm a citizen who just spent the night at a Holiday
- 16 Inn, so I'm here. Hey, good to see y'all. No,
- 17 seriously. I am a concerned citizen, and the reason I
- 18 refer to myself as a concerned citizen, I work for the
- 19 government, but the agency I work for has absolutely
- 20 nothing to do with the topic.
- 21 But I'm very passionate about this, and what
- 22 I'm passionate about is perpetuating, advancing the

- 1 all-volunteer force through offering 40 acres and a
- 2 mule. I say that, and when I refer to 40 acres and a
- 3 mule, I'm referring to access to capital. We've done
- 4 this. We've done this since the American Revolution.
- 5 The Romans did this, and what I'm referring to is these
- 6 young veterans.
- 7 You know, we're talking about it takes ten
- 8 years or so to start a business. Well, if they had
- 9 access to the capital, they had capital in their pocket
- 10 so that they are eligible for the tax credits, for the
- 11 business loans, I think you're going to see a lot of
- 12 young veterans, starting, taking that risk and starting
- 13 their own business.
- Now my background, though, while I was in
- uniform, I fought the fight. During the years of 2002
- 16 to 2007 or so, it was a dark period for the
- 17 all-volunteer force. I know from firsthand. USRC
- 18 could not recruit any more than 80,000. Bad for us,
- 19 good for the services. The economy tanked and
- 20 recruiting became easy.
- 21 Therefore, programs that I had developed and
- 22 worked on, Mr. Bill Elmore was well aware, they

- 1 canceled it. However, it still did not eliminate the
- 2 need for young veterans who, when they're leaving the
- 3 service, having opportunities of empowerment for their
- 4 future.
- We developed a program, and I don't want to be
- 6 up here to advertise my work, but if you feel this
- 7 is -- you know, it is an important aspect of, you know,
- 8 they were talking about incubating. Well, let's start
- 9 incubating with that small, with that young soldier.
- The example of a student. He's using the
- 11 brand new, which is great, the new Montgomery GI bill.
- 12 He uses up all his money, he goes to a great grad
- 13 school and he's ready to go. That means I've got to
- 14 take on more debt? No, I've got to wait a while. The
- 15 programs we worked on would he would leverage. He
- 16 would have the capital leverage and bring on more debt.
- 17 So this is very powerful, and of course, a lot
- 18 of people would say, and I'll just point, to show some
- 19 of the battle scars and some of the arguments I got in
- 20 the past, "you're encouraging people not to join the
- 21 Army." No. "Well, you're encouraging people to leave
- 22 the Army or leave the service." No. I'm encouraging

- 1 those entrepreneurs, those young entrepreneurs who
- 2 didn't even think about service to country, and handing
- 3 them an opportunity now to serve.
- 4 "They're going to leave." Okay, great. My
- 5 argument then to them is you wouldn't have gotten them
- 6 to begin with. But now that they're veterans and
- 7 they're leaving, now moms and dads and even kids can
- 8 see successful veterans doing their part, being leaders
- 9 in the community, and that will perpetuate why to join.
- 10 So that's my vision, and if the committee has,
- 11 take that as an aspect of the importance of what we're
- doing, then I would be more than happy to volunteer.
- 13 I'd be more than happy to come back and give you a full
- 14 layout of my years of experience of dealing with these
- issues, the Constitution, because this is a very, very
- 16 important topic for the country, in helping our
- 17 veterans and helping our veteran entrepreneurs to be
- 18 successful. So thank you.
- 19 CHAIR JOHNS: Thank you very much. Anyone
- 20 else? While you're making the decision to come to the
- 21 microphone, there are sign-in sheets circulating the
- 22 room. So please, I apologize that they weren't

- 1 available at the start of the meeting, but please give
- 2 us your name and contact information, so that we can
- 3 stay in touch.
- 4 MR. HESSER: Can I just ask a question?
- 5 CHAIR JOHNS: Yes.
- 6 MR. HESSER: How often are you going to meet?
- 7 CHAIR JOHNS: I was going to touch on that
- 8 before we wrap up. I'm just trying to see if there's
- 9 any more interest in people making a statement this
- 10 morning.
- 11 MR. WYNN: I don't have a question. I just
- 12 wanted to also hear how the task force is going to,
- 13 what kind of process you're going to take in terms of
- 14 deciding what actions will be taken.
- 15 CHAIR JOHNS: Okay, all right. Well, seeing
- 16 no other hands go up, I'll address the two questions
- 17 that have just been raised. Regarding meeting
- 18 schedule, we're going to have -- I'm sorry?
- 19 MS. OLIVER: Microphone.
- 20 CHAIR JOHNS: Oh sorry. Thank you. Thanks,
- 21 Linda. Regarding meeting schedule, we do plan to have
- 22 another, convene another planning, another meeting

- 1 before the end of the year, looking probably in the
- 2 month of December, as early as possible in the month,
- 3 of course, for weather considerations. But that is our
- 4 next scheduled meeting time.
- As soon as we confirm a date, we'll publicize
- 6 that in as much advance notice as possible, to allow
- 7 you to plan accordingly. Regarding -- Joe, your
- 8 question was regarding the process?
- 9 MR. WYNN: Process, yes.
- 10 CHAIR JOHNS: We have, as I reported at the
- 11 beginning of the meeting, we have the six working
- 12 groups aligned by the six areas of focus in the
- 13 President's executive order, and those groups are
- 14 meeting. They are open to receiving your input at any
- 15 time. You know what those working groups are, and so
- 16 if there's one in particular that you would like to
- 17 communicate with, feel free to do so.
- 18 What we'd like to do is to have, I think it
- 19 ties to something that John Garcia said earlier. We
- 20 don't intend to just sit in sessions like this and
- 21 contemplate our navels for the next 12 months, and then
- 22 come out with a report of recommendations.

- 1 We're all in complete alignment about wanting
- 2 to identify some quick hits as soon as we can, so that
- 3 we can make some improvements to better support our
- 4 veterans across these areas as soon as possible, and
- 5 therefore our report at the end of the first year will
- 6 be a report of accomplishments as well as
- 7 recommendations.
- 8 So that is our philosophy as far as how we're
- 9 approaching this work, so I want to make sure that I
- 10 emphasize that, speaking on behalf of all of the task
- 11 force members.
- 12 We are -- we will be regularly holding
- 13 sessions of this type, either to get your ideas or to
- 14 get your reaction for various recommendations that we
- intend to move forward on. So that's why we do want to
- 16 stay in contact with you and want this to be as
- 17 transparent a process as possible.
- 18 We'd like your feedback on how you think this
- 19 session went and what you think might be useful topics,
- 20 for example, for future sessions. My thought is that
- 21 in addition to having general sessions for comment,
- 22 that we might want to also think about using some of

- 1 our time in future sessions to focus on a particular
- 2 area.
- 3 For example, there is a particular issue
- 4 that's facing us, that we really haven't had before,
- 5 and that is the large number of women veterans who are
- 6 going to -- who are returning, who will be returning in
- 7 the coming months. So we may consider looking at the
- 8 issues of women's veterans specifically.
- 9 Or families of veterans, spouses and families
- 10 of veterans and how to, the good comment Sue that you
- 11 made, how we can better support you. So those are some
- 12 of the ideas that we are considering, and as I said,
- 13 we're very open to hearing from you about other ideas
- 14 that we need to consider, because a year sounds like a
- 15 long time, but it really isn't, and so we are committed
- 16 to being very focused on keeping the sense of urgency,
- 17 so that we will have as many good things to report as
- 18 possible, and as many good improvements as to how we're
- 19 supporting our veterans as possible in place over the
- 20 coming months, leading up to the next year.
- 21 MR. HESSER: (Off mic) We have no contact
- 22 information on the sheet. Is this going to be on the

- 1 website somewhere? When you say "contact the
- 2 committees," how can we contact the committees --.
- 3 MR. ELMORE: At this point, Dick Snyder, who
- 4 is my deputy in my office, is what's called the
- 5 committee management officer. So input to Dick, and
- 6 most of you have my email. Send stuff to me as well.
- 7 One of the things we've discussed but we
- 8 haven't put in place yet, primarily because the agency
- 9 is revising the entire web page at SBA, and that will
- 10 announced soon, is putting a box in place where anybody
- 11 can provide input to the workings of the Committee
- 12 through that as well. But that's not in place yet.
- 13 CHAIR JOHNS: Thank you, Bill. All right,
- 14 yes.
- 15 MR. WYNN: I was just going to -- another
- 16 question I have with them. Are you saying we have to
- 17 do -- the task force is going to have to wait a year
- 18 before it makes recommendations for actions, or as the
- 19 task force is going along? If you see something as a
- 20 group, you conclude that this is something that needs
- 21 to be done now, do we have to wait a whole year before
- 22 you can push that out?

- 1 CHAIR JOHNS: No. I thought I was clear, but
- 2 obviously I wasn't, and Mr. Wynn's question is will we
- 3 wait for the year in order to consider new
- 4 recommendations? Absolutely not. What I was hoping to
- 5 communicate is that we want to do -- we're looking to
- 6 identify quick hits, so to speak, things that we can
- 7 put in place quickly, and as those opportunities are
- 8 identified, we will implement them.
- 9 We know that there are other recommendations
- 10 across the six areas that would have a longer time
- 11 frame, in terms of being able to actually put a
- 12 recommendation in place. So we want to do both. As I
- 13 said, when we report at the end of the year, we're
- 14 looking to report accomplishments as well as
- 15 recommendations.
- MR. SALDANO: My name is Lupe Saldano. I'm a
- 17 member of the task force. I'm also a member of the
- 18 American GI Forum, the largest Hispanic veterans
- 19 organizations in the country. I am curious to know if
- 20 this task force is going to be working or coordinating
- 21 with your partner task force that was established by
- 22 the President on the same date, April 26th of this

- 1 year, who is also tasked with developing initiatives
- 2 for veterans?
- 3 As a matter of fact, according to the
- 4 executive order, that task force should have already by
- 5 now, August 26th as a matter of fact, should have
- 6 submitted a report on their proposals and
- 7 recommendations that we're offering. I'm wondering
- 8 whether their report has been prepared and submitted
- 9 and whether you guys or this task force has reviewed
- 10 it, to find out what the recommendations and proposals
- 11 are as it pertains to veterans.
- 12 MR. ELMORE: Yes. If I can help answer,
- 13 you're right. They did issue their report and a series
- of recommendations, and in fact there are people on
- 15 this task force as well that were on that task force.
- So you know, my anticipation is that they're
- 17 bringing what they've learned through the, I believe it
- 18 was 120 days? Am I right about that, of the previous
- 19 task force, into our deliberations, so we don't have to
- 20 go back and sort of reinvent, relearn all the things
- 21 that they've already looked at. There was something
- 22 else you asked. I just don't recall what it was.

- 1 MR. SALDANO: No, that was it.
- 2 MR. ELMORE: Okay.
- 3 CHAIR JOHNS: That was it. There was a hand
- 4 here, I thought, a question.
- 5 MR. SALDANO: Well, excuse me.
- 6 MR. ELMORE: Just one moment. You said that
- 7 various task force members here also belong to the
- 8 other task force? Because this task force is comprised
- 9 of seven agencies, I understand, and four
- 10 representatives of VSOs. Now the other one is a lot
- 11 larger. It's supposed to be 20 some-odd agencies, no
- 12 requirements for representatives of veteran service
- 13 organizations.
- But it tells me that not necessarily that task
- 15 force is more important than this one, but that it's a
- 16 lot larger and includes a lot more federal agencies. I
- 17 don't know what that means.
- 18 MR. ELMORE: It was based on the statute.
- 19 This task force was created as --. Go ahead, Joe.
- 20 MR. GARCIA: Let me just also add a little bit
- 21 about that. I also sit on, and you've been there,
- 22 Bill's been there, this Advisory Committee on Veterans

- 1 Small Business Development that the SBA has, and then
- 2 there is the task force committee. I guess the point
- 3 earlier is there's all of these committees that's been
- 4 out there since 1999.
- 5 What we've got to do now is bring it all
- 6 together under this umbrella, which is the Presidential
- 7 mandate now, and let's just target in, as we were
- 8 saying earlier. Let's bring all of that together and
- 9 bring it to this committee and start cutting this thing
- 10 up.
- And as we were just saying earlier, is that if
- 12 there is some stuff we can do now, let's do it now. I
- 13 can't afford and my vets out there can't afford to wait
- 14 a year from now. We've been waiting. But now we have
- 15 this here. We've got to take it at the grass roots
- 16 level. That's my mandate from my vets. I've got to
- 17 get it into the state level.
- 18 But all of these task forces are out there.
- 19 Let's bring it all in together, put it under one roof
- 20 and let's move this thing forward, man. I don't want
- 21 to see all these other task forces out there. There's
- 22 just too many. Let's bring them in. We've been doing

- 1 this grunt work. Bring it in, wrap it, put a ribbon or
- 2 flag around it and let's initiate it immediately. So I
- 3 mean this other advisory task force just submitted a
- 4 report to you guys, right?
- 5 MR. ELMORE: You bet.
- 6 MR. GARCIA: Is that the task force? You're
- 7 on another one?
- 8 MR. ELMORE: I'm sorry?
- 9 MR. GARCIA: You're on another task force or
- 10 that's the same task force? It's the same one, right?
- 11 MR. SALDANO: The two that were established --
- MR. GARCIA: So let's just move these things
- 13 forward, man.
- 14 CHAIR JOHNS: Sir?
- 15 VOICE: Oh no. I work for you.
- 16 (Laughter.)
- 17 CHAIR JOHNS: I know who it is, but he had the
- 18 mic. I thought he had a question.
- 19 (Simultaneous discussion.)
- 20 CHAIR JOHNS: All right. Any other questions?
- 21 Oh yes. Mr. Cotton.
- MR. COTTON: I have a question. You know,

- 1 there's a couple of people who made the statement about
- 2 things that are considered low-hanging fruit, action
- 3 items that we can implement right now. I noticed that
- 4 of the six functional areas that we're charged with or
- 5 this task force is charged with, the mentor-protegee
- 6 program for disabled veterans is one of the components,
- 7 which is also a component that -- of the Small Business
- 8 Jobs Act that was just passed.
- 9 So that seems to me to be an immediately
- 10 actionable event for disabled veterans. My question
- 11 would be how would the task force go about facilitating
- 12 immediate implementation of a low-hanging fruit
- 13 opportunity like that?
- 14 CHAIR JOHNS: Well fortunately, another job
- 15 that I have is to chair the implementation team for the
- 16 Small Business Jobs Act here at the agency. And so
- 17 we've already started the conversations internally
- 18 about how do we look at our implementation efforts
- 19 through the lens of connecting other important
- 20 objectives that we have going on in the agency, and
- 21 veterans is top of the list.
- 22 So but that thinking is already at the table.

- 1 We're already moving in that direction, but I'm pleased
- 2 that you made the connection here as well.
- 3 MR. FORMAN: One of the things that I was able
- 4 to get through when we passed 108-183 as a follow-on
- 5 was to expand the DOD mentor protegee program to
- 6 include service-disabled veterans. A legislative
- 7 initiative that went through was signed off on.
- 8 So these are the things, other things people
- 9 can do, I think, to help the service-disabled veteran
- 10 community. I thought it was very important and we put
- 11 that one through. So it can happen on an agency level,
- 12 but it works better if it happens on a government-wide
- 13 level.
- 14 CHAIR JOHNS: Did that answer your question?
- 15 It doesn't look like it did. That's why I'm asking --
- MR. COTTON: Yeah, not exactly. Well, to Mr.
- 17 Forman's point, what I'm specifically asking about is
- 18 not only other implementation components that are
- 19 associated with the Jobs Act, but that one specific
- 20 area, which is the mentor-protegee program, and it
- 21 seems to me that it wouldn't take a significant effort
- 22 to go ahead and start the pilot of that program for

- 1 disabled veterans, say between now and when we get done
- 2 with the continuing resolution, so that we could start
- 3 seeing some uptick in partnering between large
- 4 organizations and our veteran community, and creating,
- 5 you know, functional contracting and job opportunities,
- 6 particularly in light of the fact that we are coming
- 7 off of this bundling hangover, let's just call it that.
- 8 While we're going through the process of
- 9 recovering from that, the contracting community is
- 10 still going to be putting out consolidated and bundled
- 11 requirement, and this would be a weapon to empower our
- 12 veteran community to be able to go and compete for
- 13 those opportunities and maybe bring some of those
- 14 dollars towards that goal attainment.
- So I'm just asking for maybe something
- 16 targeted towards that component, mentor-protegee, and a
- 17 perspective on how this task force might be able to
- 18 influence that single time line.
- 19 MR. ELMORE: I'll try to answer it.
- 20 CHAIR JOHNS: Well, go ahead.
- 21 MR. ELMORE: There's two or three things that
- 22 we're working on right now, and one of those -- and

- 1 I'll touch on mentor-protegee specifically for disabled
- 2 vets. The agency was provided more than 40 programs
- 3 and opportunities and reporting requirements in the new
- 4 law, and that's a lot of things to put together at the
- 5 same time.
- 6 We're working on all those and we've just
- 7 started working on all those. Marie, as she said, is
- 8 not only responsible for that but for this. So I think
- 9 you'll see two or three things that are specific to the
- 10 veterans community, as soon as we're capable of getting
- 11 them through the necessary administrative processes.
- 12 It's not just about doing it. It's about
- 13 creating the process so you can do it, including the
- 14 council and all the other parts that go into it.
- 15 CHAIR JOHNS: Mr. Cotton, I just wanted -- I'm
- 16 sorry I wasn't clear on my earlier response, but what I
- 17 hope to clarify for you now is we, as we're looking at
- 18 implementing the Small Business Jobs Act, all the
- 19 provisions there, the focus on veterans and how to
- 20 ensure that we are using the opportunities in the Small
- 21 Business Jobs Act to advance the support for veterans
- 22 is definitely an objective that is on the table.

- I can't just say to you we are going to do
- 2 X-Y-Z, because I'm not going to be glib and just tell
- 3 you something. I want to be able to come back and tell
- 4 you here is what we're going to do; here is what it's
- 5 going to look like. Bear in mind, the Small Business
- 6 Jobs Act was signed about two weeks ago by the
- 7 President.
- But we're working on putting programs together
- 9 and meeting the requirements of the Act, and at our
- 10 next time together, I will be able to tell you more
- 11 definitively how we're responding in the area of
- 12 mentor-protegee and hopefully in some other areas as
- 13 well.
- 14 MR. COTTON: Thank you.
- MS. PARK: Just to add a quick comment from
- 16 the GSA's perspective. It's true, that there is going
- 17 to be work involved in connecting the dots in putting
- 18 together an implementation plan on that mentor-protegee
- 19 program. But I do want to mention that there is
- 20 mentor-protegee program that already exists at GSA.
- 21 That is open and very welcoming to service-disabled
- 22 veterans and veteran-owned small businesses.

- 1 This mentor-protegee program right now already
- 2 is involving veteran and small businesses. So while it
- 3 doesn't have quite the design and the intent that's
- 4 written in the Jobs Act, it's helping on veteran
- 5 businesses today. There are other agencies that are
- 6 talking about having mentor-protegee programs.
- 7 So just for those who are already aware, there
- 8 is information on gsa.gov about the mentoring program,
- 9 and actually our program manager, Tony Erland is here.
- 10 So you want to go him if you're interested. Thank you.
- 11 CHAIR JOHNS: Thanks, JiYoung.
- 12 MR. WALKER: Hi. I know everyone's anxious to
- 13 probably leave soon, so I'll be very brief. But I just
- 14 want to point out a couple of things really quickly.
- 15 Senator Snowe as the author of the legislation that
- 16 created the mentor-protegee program, and if I could
- 17 make a recommendation, we've spoken at length before in
- 18 the past, that Walter Cotton would be a tremendous
- 19 resource for everyone here.
- 20 He knows the program very well and has good
- 21 ideas on how it could be used to try to help veterans.
- 22 So I encourage you to reach out to him and work with

- 1 him on that issue.
- 2 To speak to the other question earlier, the
- 3 amount of people on this board, as someone involved in
- 4 drafting this legislation, it's always been hard making
- 5 these types of determinations. The fact that the other
- 6 task force had more members has no weight as to which
- 7 one is more important or vice-versa. They have
- 8 different missions. The other one is focused more on
- 9 labor, whereas this one is -- and on strict employment
- 10 issues, whereas this one has much broader business
- 11 issues.
- 12 We think they should leverage and coordinate
- 13 together, and a lot of things that come into the
- 14 analysis is having too many people engaged in a board
- 15 where nothing gets done. So I just wanted to quickly
- 16 clarify those things.
- 17 CHAIR JOHNS: Okay. Thank you, Matt. Any
- 18 other questions?
- 19 (No response.)
- 20 CHAIR JOHNS: Any other comments from task
- 21 force members?
- (No response.)

- 1 CHAIR JOHNS: All right. Well again, I want
- 2 to wrap up -- yes.
- 3 MR. ELMORE: Madam Chair?
- 4 CHAIR JOHNS: Yes.
- 5 MR. GARCIA: I just want to get back on what
- 6 Lupe's saying, which is just so I can be clear in my
- 7 mind. This task force, the Veteran Business Task
- 8 Force. Jeff Linscott's the chairman and they've been
- 9 meeting, discussing these things. They've put together
- 10 their report for the White House.
- 11 Somehow that has to dovetail and blend, become
- one, and I think that's what Lupe's referring to. It's
- 13 not a lesson about employment; it's about business
- 14 involvement. It's addressed the same issues, access to
- 15 capital, all of the things we were just talking about
- 16 here. That group has put a lot of work and time, as
- 17 you know.
- 18 So I'd just respectfully let's say let's
- 19 gather their report, which they completed, and make it
- 20 part of this report. That way, I just think it's very
- 21 important.
- 22 MR. ELMORE: Yes. If I can, just so everybody

- 1 kind of understands the process, you're right. In
- 2 fact, I received it yesterday from Jeff in its draft
- 3 form. Jeff Linscott is the chair of our advisory
- 4 committee.
- 5 So I and all the other members of the
- 6 Committee are providing that feedback to him right now.
- 7 As he finalizes that report, it will come to my office
- 8 for distribution, and I'll make sure amongst that
- 9 distribution is this task force as well.
- 10 So yeah, we're going to take that input and in
- 11 fact I have to put Marie on the spot a little bit.
- 12 They've suggested, in at least their draft, that they
- 13 participate in this task force, and we need to have a
- 14 discussion about that as a group. But I think that's
- 15 an idea that's worthy certainly of serious
- 16 consideration.
- 17 MR. HESSER: It would be a neglect if I didn't
- 18 bring this one up. In 2001, I testified in front of
- 19 the House, speaking about FAR 8.404, and 8.404 is a
- 20 truly concerned about business development of any small
- 21 business, any small business. This chapter says that
- 22 FAR Part 19 is exempt from federal schedules.

- 1 Now this has been brought up several times.
- 2 It was brought up by the SBA administrator two times,
- 3 two different administrators. It finally did get up
- 4 through OMB, and OMB-OFPP shot it down. They said no,
- 5 we can't change it. They had their excuses.
- 6 Literally, you couldn't understand it. It was all
- 7 talkie-talkie-talkie, because there is no
- 8 justification for it.
- 9 GSA has continuously fought changing that
- 10 legislation, changing that rule. What it does, and I'm
- 11 going to go back; I'm not sure of the date, but I would
- 12 say it's around '99 or 2000. GSA came out and said
- 13 okay, all contractors who are small, tell us what kind
- of small you are. Are you small business, women-owned?
- 15 What are you?
- 16 We put that in there, and they put it on a GSA
- 17 advantage. Wow. It didn't help a bit. It still comes
- 18 down to the same thing, that if VA, which is doing it
- 19 regularly, the feeling was to spend money not in the
- 20 Vet First program. All they do is go to the GSA
- 21 schedule. They buy from whoever they want to buy from,
- 22 and that's where the money goes.

- 1 Now that money's not counted in the
- 2 percentages either, because it's been over here. It's
- 3 in the FAR, in fact, that they are allowed to do this.
- 4 We protested; it's going to be protested over and over
- 5 and over, because it is really wrong, because the small
- 6 businesses are hurting. If you want to talk about
- 7 business development, I think this is one thing this
- 8 task force could really look at, from the real
- 9 standpoint of what does it do for small business.
- 10 We've been with the -- VET Force wrote a paper
- 11 presented to the Congress called "Broken." We're
- 12 willing to present that to anybody here. It was
- 13 chaired, authored by James Wifong and various others
- 14 had input to it. But that was a very good point about
- 15 what was occurring in the United States about small
- 16 business.
- 17 VET Force is now trying to gather all the
- 18 small business organizations together, so that we can
- 19 bring this out, that in the small business arena, we're
- 20 not even making 23 percent. That has to be handled.
- 21 GSA Schedule 8.404 FAR is the one rule that is killing
- 22 a lot of small business. We're talking about billions

- 1 of dollars. Dell has 1.7 billion or 1.8 billion dollars
- 2 on that GSA schedule. It's just ridiculous that they
- 3 allowed this to happen.
- 4 MR. BLUM: Can I make a comment?
- 5 MS. PARK: Thank you for raising that, and I'm
- 6 surprised it wasn't raised earlier in the conversation.
- 7 But thank you. I think something that we at GSA are
- 8 taking a close look at, in coordination with SBA, and
- 9 you know, and a provision in the Jobs Act does call us
- 10 to look at that. So thank you and yeah, I do think
- 11 that there is much more we can do to better understand
- 12 that, and to do more for small business in that area.
- 13 MR. BLUM: If I can just add to that, but I
- 14 think there may have been a little bit of confusion.
- 15 You made reference earlier to the other -- the other
- 16 task force that was looking at small business
- 17 contracting issues generally, and they did issue -- and
- 18 several of us were on the title, including JiYoung and
- 19 Linda, and the report came out, I think it was earlier
- 20 in September.
- 21 The first recommendation deals with clarifying
- 22 policies and practices on set-asides, and it includes a

- 1 recommendation for a comprehensive outreach effort to
- 2 sort this out. We understand it is a very important
- 3 issue, and is an incredibly -- set-asides are an
- 4 incredibly powerful tool and a way to get access to the
- 5 federal government marketplace.
- 6 So and our administrator, James Gordon, is
- 7 very focused on this issue and committed to working
- 8 with the community and sorting through this, this issue
- 9 that is a long overdue discussion to solve this. There
- 10 was also, I think, a number of comments with respect to
- 11 subcontracting, a very similar effort, I think as
- 12 you'll see, take place as a result of recommendations
- 13 from the task force there.
- 14 There are lots of issues that get nodded up
- 15 from the contents of contracting plans, to the timing
- of when a plan is submitted, to how it's evaluated,
- 17 whether it's part of past performance, whether it's its
- 18 own separate factor or some factor, to how it's
- 19 enforced after the fact, to the technology that's used
- 20 for making it easier for contracting officers and
- 21 others to actually do an evaluation.
- One of the challenges that I think we've had

- 1 over time is that when there are conversations, all of
- 2 these issues get fused together. What the task force
- 3 recommended is that we separate them apart and again,
- 4 have a focused and organized conversation to sort
- 5 through that.
- 6 So I think in those, just in those two areas,
- 7 those are just two of the 13 recommendations, I think
- 8 we will make a lot of progress by having the spotlight
- 9 on these issues and figuring out what's the best way to
- 10 proceed.
- 11 CHAIR JOHNS: Okay. Yes sir.
- 12 MR. DENNISTON: Just a point of clarification
- 13 on this. This report is available to the public right
- 14 now or it's in draft form?
- 15 CHAIR JOHNS: What report are you referencing?
- 16 MR. DENNISTON: The small business report.
- 17 (Simultaneous discussion.)
- 18 MR. ELMORE: The contracting task force.
- 19 CHAIR JOHNS: Oh, yes. The recommendation of
- 20 the government contracting task force are public, and
- 21 they are on SBA's website.
- MR. DENNISTON: They are on that?

- 1 CHAIR JOHNS: www.sba.gov.
- 2 MR. DENNISTON: And for purposes of
- 3 information that will come out of this committee, Mr.
- 4 Schneider would be the contact for any information that
- 5 will be reviewed by the committee?
- 6 CHAIR JOHNS: Yes.
- 7 MR. DENNISTON: Okay. Thank you.
- 8 CLOSING REMARKS
- 9 CHAIR JOHNS: Thank you. All right. Seeing
- 10 no more hands, we're going to wrap up the meeting and
- 11 note that we're wrapping up a little early, so
- 12 hopefully that's a good sign that we're taking
- 13 seriously our commitment to operate efficiently.
- But as was referenced earlier by several
- 15 speakers, we're not meeting the contracting goal on
- 16 veteran-owned businesses. We know that we can do
- 17 better. We have needs for improved training and
- 18 counseling for veteran-owned businesses, and veterans
- 19 who are seeking to go into business. We know we can do
- 20 better there as well.
- 21 We have areas where we can improve in access
- 22 to capital across the board. Please know that this

- 1 task force is -- we're all taking this opportunity very
- 2 seriously.
- 3 This is a point of personal privilege. I am
- 4 not a veteran, but I'm the proud daughter of a veteran.
- 5 I feel a very special duty, as a proud American, to be
- 6 able to play a role in giving more support to our
- 7 veterans, who are in business or who are seeking to
- 8 start a business, because as has been said several
- 9 times before, we know that as veteran-owned businesses
- 10 get stronger and grow and are able to create more jobs,
- 11 that that means more veterans will be working, more
- 12 communities will be stronger and we'll be better off
- 13 overall.
- So we're taking this work very, very
- 15 seriously, and we think we have a particularly
- 16 fortuitous moment, because we have things to work with
- 17 that may not have been available in the past.
- With the Small Business Jobs Act, the work of
- 19 the government contracting task force, we've got a
- 20 number of really significant pieces that we can begin
- 21 to knit together, that we hope that we can come back to
- 22 you in short order to demonstrate that we're very

- 1 serious and focused on moving forward.
- 2 So thank you for being here again. Look to
- 3 hear from us. We will schedule our next meeting before
- 4 the end of the year. As I said, we're looking to early
- 5 in December, because we know that veterans -- the data
- 6 shows veterans are over-indexed in entrepreneurial
- 7 activity. Veterans, they want to start businesses.
- 8 They want to grow businesses, to a higher degree than
- 9 other cohorts in our society.
- 10 So we owe it to our veterans to support them
- in their quest to do that, because we're going to all
- 12 benefit as their businesses grow and are stronger.
- 13 Thank you again for being here. We look forward to
- 14 seeing you at the next meeting.
- 15 (Whereupon, the meeting was adjourned.)

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