

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

U.S. SMALL BUSINESS ADMINISTRATION

ADVISORY COMMITTEE ON
VETERANS BUSINESS AFFAIRS

THURSDAY, MARCH 5, 2019

9:00 A.M.

Reported by: Jennifer Razzino, CER

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C O N T E N T S

PAGE:

Welcome and Introduction, Larry Stubblefield	3
ACVBA Chairwoman Remarks - Fran Perez-Wilhite	4
OVBD Updates - Larry Stubblefield/Amy Garcia	9
SBA Office of General Counsel - Larry Webb	21
U.S. Department of Veterans Affairs CVE	
Update - Sharon Ridley	22
Public Comment	53
SBA 8(a) Business Development Program -	
Sandra Barrett/Sharon Gurley	76
Veteran Business Project Update - Lynn Lowder	123
Adjourn	151

1 P R O C E E D I N G S

2 - - - - -

3 (9:10 a.m.)

4 WELCOME AND INTRODUCTION

5 MR. STUBBLEFIELD: Okay, good morning,
6 everyone. This represents the official opening of our
7 committee meeting. We will start the meeting off by --
8 first of all, let me just welcome all of you for being
9 here today. Thank you for being with us. We had a
10 great Task Force meeting yesterday, a very productive
11 Task Force meeting, and so we're hoping for the same
12 today. We know we will have a great meeting, and we'll
13 start with roll call. And so I'll start here to my
14 left.

15 MS. PEREZ-WILHITE: Fran Perez-Wilhite, North
16 Carolina Military Business Center. Good morning.

17 MR. O'FARRELL: Jim O'Farrell, Advanced
18 Management Strategies Group. Good morning.

19 MR. SHARPE: Joe Sharpe, the American Legion.

20 MR. LOWDER: Lynn Lowder, Veteran Business
21 Project.

22 MR. PHIPPS: Michael Phipps, the Millennium
23 Group International.

24 MS. GARCIA: Amy Garcia, SBA.

25 MR. STUBBLEFIELD: Okay, do we have any

1 committee members on the line?

2 MS. PORTER: Yes, good morning. This is
3 Kandis Porter from Effective Flow Connections.

4 MR. STUBBLEFIELD: Okay, thanks for joining
5 us, Kandis.

6 Any other committee members?

7 (No response.)

8 MR. STUBBLEFIELD: Okay. We've gone through
9 roll call, so with that, I will turn it over to our new
10 chairperson, Fran Perez-Wilhite. Congratulations,
11 Fran, on being our new chair. I'll turn the meeting
12 over to you now.

13 MS. PEREZ-WILHITE: Thank you, Larry. Good
14 morning again, everyone. I am Fran Perez-Wilhite, the
15 new chairwoman of the ACVBA. My background includes
16 being a former U.S. Army officer from Fort Bragg. I
17 was also a member of middle management at Philip Morris
18 USA for over 13 years.

19 I then decided to dedicate my current career
20 to assisting veteran-owned businesses with the North
21 Carolina Business Center for the last 14 years as a
22 business developer based out of Charlotte, North
23 Carolina. I also have extensive board experience,
24 including corporate, nonprofit, city, county,
25 statewide, and other federal boards. This includes

1 just completing two terms on the Department of Veterans
2 Affairs Research Advisory Committee on Gulf War I
3 illnesses, also known as the RAC.

4 My five years on the RAC taught me a great
5 deal on what it takes to be an effective committee in a
6 potentially adversarial environment. When I was
7 appointed to the RAC in 2014, it was comprised of only
8 medical researchers, who were responsible for clinical
9 trials involving Gulf War I veterans who were sick and
10 injured. The researchers just could not find many
11 veterans, nor could they communicate or build rapport
12 with them.

13 The clinical research across the country was
14 stalled due to the schism between the researchers and
15 the veterans. I strategized a way to become the
16 conduit between the researchers and veterans, resulting
17 in trials now being completed and critical care finally
18 improving the lives of many veterans.

19 My service on the board resulted in more --
20 many more veterans being appointed to the RAC and is
21 now more successful than ever before. And that, ladies
22 and gentlemen, is basically what we are charged with on
23 the ACVBA. We need to be the effective bridge between
24 these federal agencies and our veteran business owners
25 across the country.

1 Additionally, there is no need to be
2 adversarial during our meetings to each other or to our
3 guests. In fact, I've learned over the years that the
4 most effective parts of these meetings is all the
5 collaboration that occurs during the breaks. So,
6 Larry, I'm all for more breaks or more informal
7 sessions during our meetings so we can bond, develop,
8 and maintain relationships with each other and the
9 federal decision-makers.

10 I am so proud of the fact that our current
11 ACVBA Board is comprised of veterans from within the
12 Beltway and across the nation. The state of this board
13 membership is extremely strong, experience-wise. And
14 we are ready to perform right now. The timing is great
15 because there is a big change this year. In the past,
16 the Board has been able to develop and submit its
17 annual report at the end of the calendar year. This
18 year, this requirement has changed to the report being
19 due at the end of the federal fiscal year in September,
20 with an extra 30 days to submit at the end of October.

21 When I found this out in January, and
22 realizing I had no time to waste, I started
23 collaborating with the SBA to jointly decide our four
24 goals we will focus on this year. I then also reached
25 out to the board members who would lead the subsequent

1 four subcommittees focused on these goals. The four
2 goals and subcommittees are as follows: number one,
3 access to capital, which will be led by Charles "Lynn"
4 Lowder from the Greater Chicago area. I cannot think
5 of anyone across the country who has more knowledge in
6 this area than Lynn. Lynn, thanks for all you are
7 already doing for this goal and presenting later today.
8 Thank you.

9 Number two, VOSBs and the 8(a) program
10 concerns, which will be led by Joe Sharpe from the
11 Washington, DC, metro area. Joe is already extremely
12 knowledgeable in this area and will steer this Board to
13 discover ways to make a difference. Thanks, Joe, for
14 educating all of us so we can effect change.

15 Number three, educating the public about SBA
16 veteran programs, which will be led by Kandis Porter
17 from Reno, Nevada. Her business background, MBA, and
18 PMP certification make her the best choice to lead this
19 subcommittee. Plus, since she is a new board member,
20 this will be good board development experience for her
21 as well. And by the way, there is a potential
22 excursion for the Board in the works being considered
23 already for us to be better educated about the SBA
24 veteran programs. We will all discuss this at a later
25 time.

1 Number four, federal contracting and veteran
2 business concerns, led by Valerie Lewis from the San
3 Francisco Bay area. Valerie is a veteran business
4 owner that has been awarded federal contracts, both as
5 a prime and as a subcontractor. She also has extensive
6 VOSB networks that we can utilize. She also is a new
7 board member, and this will be good board development
8 experience for her as well.

9 Many other members of the Board are past
10 chairmen. I hope to tap into their vast experience to
11 accomplish our goals this year. I would also like to
12 thank Liz O'Brien for all her hard work as Chair last
13 year. She'll be missed as she moves on to her new
14 career.

15 I apologize that some of the Board is hearing
16 this for the first time. I planned to have some
17 teleconferences; however, my mother became gravely ill
18 in January and passed away in February. As her only
19 child, I had to take care of our family affairs, which
20 took a few weeks. A most sincere thanks to those of
21 you that have reached out to me in my family's time of
22 need. I will always remember and cherish your thoughts
23 and prayers.

24 And so to the members of the SBA, we want to
25 know that our ACVBA is ready to make a difference for

1 our veteran businesses. We can do this, and we will do
2 this. Let's go ahead and get started. Thank you.

3 MR. STUBBLEFIELD: All right. Thank you,
4 Fran. I think everyone would agree with a term we use
5 in the military where we talk about hitting the ground
6 running, and you're certainly doing that.

7 Okay, at this time, we're going to -- we'll go
8 into the OVBD update, and just as a reminder, a few
9 months back, we established a liaison position with the
10 Government Contracting and Business Development Office,
11 so that's Amy Garcia. So Amy's going to start off with
12 our updates, and I'll turn it over to Amy.

13 MS. GARCIA: Thank you, Larry. Good morning,
14 everyone. Just really two quick updates. One is a
15 regulatory update of Federal Register notices that are
16 open for comment now, and I want to make sure everyone
17 is aware of those and has an opportunity to submit
18 comments if they so choose. And then a real quick
19 update on the women-owned small business certification
20 program.

21 So starting with regulatory updates that
22 concern SDVOSBs, there are two rules out. The first
23 one is a regulatory reform initiative. It basically
24 removes regulations in SBA's CFR for the SDVO program
25 that are no longer necessary because they are redundant

1 or they're covered in another regulation. And so there
2 are four of those that are going to be removed from the
3 SDVO regs. The comments are due April 6, 2020, and the
4 reference for that, if you need it you could put it in
5 your search engine and web search, 85FR, for Federal
6 Register, 6106. That'll get you to information about
7 how to submit comments. Again, it's 85FR6106.

8 The second regulatory update is the surplus
9 property for veteran-owned. Now it's added as Puerto
10 Rico and disaster-affected small businesses. So this
11 implements three provisions of the Small Business Act
12 to give access to and manage the distribution of U.S.-
13 owned surplus personal property to three additional
14 groups of businesses. Initially, the law provided for
15 SDVOs, and now after some initial interagency review
16 before they put the comment out -- the regulation out
17 for comment, two other groups were added to that,
18 including disaster areas and Puerto Rico. So small
19 businesses owned and controlled by veterans, small
20 businesses located in major disaster areas, and small
21 businesses located in Puerto Rico now have the
22 opportunity to qualify as eligible for the surplus
23 property program.

24 SBA will execute a memorandum of agreement
25 between SBA, GSA, and the head of the state agency for

1 surplus properties. Comments are due March 23, and the
2 reference for that is 85, F as in Federal, R as in
3 Register, 3273. Again, that's 85FR3273. At last I
4 checked, we had about 20 or so comments on that.

5 So for the women-owned small business
6 certification program, or the WOSB program, as you
7 know, we've -- SBA has been working on this rule, and
8 it still hasn't been finalized -- or there's changes to
9 the certification process for WOSB and EDWOSB, which is
10 economically disadvantaged WOSB, and once the changes
11 go into effect, firms will no longer be able to certify
12 -- self-certify as a WOSB or EDWOSB. Firms will have
13 to either certify through an approved third-party
14 entity or go through SBA's free, online certification
15 at Certify.SBA.gov.

16 Certify, of course, is already up and running.
17 And the WOSB certification program will roll into that
18 platform. So WOSB Ready is SBA's campaign to raise
19 awareness of the upcoming changes to the program. SBA
20 wants small business owners to consider if they're
21 eligible and ready to compete in the federal
22 marketplace. And the offices -- has been staffed up.
23 Before, it was -- we've got a program manager and a
24 deputy that is dedicated already to this program. So
25 things are in the work to move formerly self-certified

1 companies to a certification program. So more
2 information is www.sba.gov/WOSBready, or W O S B,
3 ready.

4 Again, it's not -- there are FAQs there.
5 There's a certification options table for more
6 information. Folks in the room have printed copies, so
7 just a little bit about the certification options, this
8 is a really good chart to find out where you may fit,
9 like your current status. So if you're a new applicant
10 with no contracts or no certifications, you'll need to
11 be certified.

12 If you're a self-certified firm and you have
13 active contracts, there's information here. If you're
14 self-certified with no contracts, you're going to need
15 to get certified. So this information is on the
16 website at sba.gov/WOSBReady, and for a future meeting,
17 we will be, you know, glad to provide information to
18 the ACVBA on the finite details and technical
19 requirements for the program, but summer, this summer
20 2020, is when it's going to be rolled out officially.

21 Thank you.

22 MS. PEREZ-WILHITE: Amy, do we know how long
23 it takes for the certification to go through after they
24 do the self-certification?

25 MS. GARCIA: I don't have that information at

1 this time, but I'll take that back for questioning and
2 get an answer to you. Okay, thank you.

3 MR. STUBBLEFIELD: Okay, are there any
4 questions for Amy?

5 (No response.)

6 MR. STUBBLEFIELD: If not, we'll continue the
7 OVBD update. Just a couple of things. Here up on the
8 slide there, we're talking about the Veteran Small
9 Business Summit. Again, that's going to be 17 through
10 18 March in Las Cruces, New Mexico. The Administrator
11 is heavily involved in this, and this is our attempt to
12 partnering -- we started off partnering with the
13 American Legion, Joe Sharpe and his team. We got
14 together and listed the top 15 areas where veterans are
15 settling, if you will, and line that up with poverty
16 areas and rural areas and so forth.

17 So the number one area was -- originally was
18 Mississippi. We were going to start with our summit in
19 Mississippi, but during the planning stage, the
20 Regional Administrator -- this is a total SBA effort --
21 the Regional Administrator for Mississippi was on a
22 detail to the White House, so we moved to the number
23 two area on the American Legion list, which is New
24 Mexico.

25 So the idea is to get into these areas --

1 they're also kind of like opportunity zones, if you
2 will, and make a -- you know, increase awareness of
3 federal government programs that support
4 entrepreneurial development for veterans and military
5 spouses and so forth. So the 17th we'll have a
6 reception that the Administrator will lead with
7 community leaders and so forth, where we're talking
8 about the -- it's under the umbrella "why are we here."
9 And then the 18th is actually the day of the summit,
10 where we'll focus on access to capital, military
11 spouses, and all the different programs that SBA
12 offers, and then getting the community to know how to
13 connect to local resources that are there on the
14 ground. So we're very excited about the summit.

15 I also want to just tell you a little bit
16 about National Veteran Small Business Week. We haven't
17 come out with a date yet for National Veteran Small
18 Business Week. We're looking at two time periods.
19 This is the 26th through the 30th of October or the 9th
20 through the 13th of November. And I should back up a
21 minute and just say the reason being is, you know,
22 we've got -- our new Administrator is on board. She's
23 been with us now for about six or seven weeks, Jovita
24 Carranza. She's coming over from the Department of
25 Treasury.

1 She -- in terms of her priorities, her number
2 one priority is disasters. And right now, we're off
3 and running in what just happened in Nashville. So
4 disasters is her number one priority. Number two is
5 women; number three is vets -- veterans; number four is
6 underserved communities and rural. So she has taken a
7 very active interest in what we're doing. In fact, she
8 was scheduled to be at this committee meeting, and we
9 had to turn that off because we got a number of
10 committee members that couldn't be here today, and we
11 didn't want to bring her down to address the committee
12 unless we had a full house.

13 So the plan now is for her to come to the June
14 committee meeting, and we're going to do a full court
15 press, if you will, to make sure that everyone is here
16 and you can hear from the Administrator.

17 And just to emphasize her focus and support
18 for veterans and what we're doing, when she first came
19 on board, and one of the first things she was
20 introduced to was the fact that we're going to have the
21 summit in Las Cruces. She told her staff to make --
22 put that on her calendar, and the only way it was going
23 to come off her calendar was if something came from the
24 White House, maybe another priority. So we're totally
25 locked in for Las Cruces. And like I said, she would

1 have been here this morning, but we got so many -- so
2 many folks that couldn't be here, so she'll definitely
3 be here in June. And veterans is a definite focus
4 where the Administrator is concerned.

5 Now, the two dates for National Veteran Small
6 Business Week, she's the one who's actually looking at
7 those dates because the election is coming up, and her
8 guidance to us is that she doesn't want anything to
9 occur that's going to take the focus off National
10 Veteran Small Business Week. So we're looking at
11 possibly having it just before the election and then
12 depending on -- because we have to get the Presidential
13 Proclamation and things like that from the White House.
14 If that doesn't work out, then we'll go with 9 through
15 13 November.

16 Let's see, did I have anything else on my list
17 here? I believe -- I believe I've covered everything.
18 Yesterday, I mentioned that we had our Interagency Task
19 Force meeting, and it was actually one of the better
20 ones we've had since I've been here. And I think what
21 we're going to do on the Interagency Task Force, for
22 those of you who were here yesterday, it's going to tie
23 perfectly into what this committee is focused on as
24 well.

25 We're going to develop -- we're working right

1 now to develop a -- what I'm calling a white paper
2 that's going to outline what the Interagency Task Force
3 is going to focus on for this year. And those areas:
4 improve capital -- access to capital, federal
5 contracting, the veteran business certifications, and
6 improving training and counseling services are all
7 something that the federal agencies have -- that are on
8 the committee have all signed up to participate in. So
9 we're working right now to develop a paper that's going
10 to outline how we're going to address those areas. And
11 this is really important because, again, going back to
12 the Administrator, she's in the process right now of
13 interviewing folks to be her Deputy for the Deputy
14 Administrator position. And historically, the Deputy
15 Administrator has chaired the Interagency Task Force.
16 So we've put that idea and that thought to the
17 Administrator. She's thinking about it.

18 Of course, if she -- if the Deputy chairs the
19 Task Force, there's going to be different people
20 sitting around the table, obviously, and these are the
21 areas that we want to focus on in conjunction with the
22 Administrator's thoughts. So we're very happy to have
23 our new Administrator on board. You know, like I said,
24 she is totally focused on what we're doing, and I look
25 forward to her coming down and addressing the

1 committee, finding out what she can do. She's always
2 asking, what can she do to support, what can she do to
3 better support us.

4 Let me see. Oh, sure, go ahead. Go ahead,
5 Jim.

6 MR. O'FARRELL: Jim O'Farrell from AMMSG and
7 board member. I have had, over the years, numerous
8 opportunities to be one of those people that Fran
9 mentioned in her opening remarks as potentially
10 aggressive toward visitors, or hopefully not toward
11 other committee members, but I wanted to take the
12 opportunity to provide -- you know, it's that old
13 reproach in private and commend in public. I wanted to
14 commend the SBA.

15 My firm, last fall, decided we would go after
16 the all small mentor-protégé program certification and
17 embarked on that in early December, finally got our act
18 together, and I wrote the dates down here. We
19 submitted the package into Certify.gov on January 6th,
20 2020, and Monday of this week, exactly eight weeks
21 later, we were completed and signed -- a signed letter
22 was forwarded to me, you know, notifying us that we are
23 now a member of the all small mentor-protégé program.

24 Throughout that process, I tried to maintain
25 anonymity so I could see what does the E5 that just got

1 back from Afghanistan, that's basically the person I
2 always think about when I think about the SBA and the
3 challenges that sometimes us veterans can face in
4 dealing with the Federal Government and embarking on
5 the journey of being either a federal government
6 contractor or not, just being a regular joe with a
7 company that's trying to do business.

8 And so I really want to commend you, and I
9 also want to commend and go on the record Mr. Darrick
10 Brown from the SBA who is a senior business analyst
11 and, you know, held my hand through the process and
12 answered questions, whether they were dumb or somewhat
13 smart on my behalf to him. I never had that feeling
14 that he was being, you know, condescending or talking
15 down to me. It does help that I've been in this
16 business about 25 years, and so once again, I do think
17 that that kind of "service first" attitude is what is
18 needed and is what I see happening. And also Amy
19 Garcia being appointed into a liaison position, you
20 know, these are things I see that you all are doing
21 that are very proactive. So I want to commend you for
22 that.

23 MR. STUBBLEFIELD: Thank you. Thank you very
24 much for that, Jim. It means a lot. I know you've
25 been with SBA and with the committee for a while, and

1 you've seen us in the past and moving forward, and so
2 just hearing those comments mean a lot.

3 And Darrick Brown is -- you know, he is a
4 customer-service-focused type of an individual, and
5 I'll make sure when I see him today, I'll pat him on
6 the back.

7 MR. O'FARRELL: One second. Jim O'Farrell
8 again. So the other thing I noticed is the difference
9 between -- so here I go again -- the difference between
10 the SBA's Certify.gov web portal and the ease of -- the
11 usability of it, the functionality, et cetera of that
12 as compared to possibly some others that are out there
13 that we frequently in the government contracting
14 community interact with. I will name one.

15 We all know of the CVE verification challenges
16 that they've had with their web portal, but even going
17 beyond that, there is a, you know, universally used
18 system called CPARS that's out there, and that system,
19 that tool, looks like it's from 1997. I feel like I'm
20 a consultant back at Booz Allen Hamilton and I'm
21 helping, you know, to fix that problem back then. So
22 here we are in 2020 and it's still -- it's a horrible
23 system.

24 And for those who don't know, there are tens
25 of thousands of contractors that do work with the

1 Federal Government, and if you are a prime contractor,
2 you are required -- the Government is required to
3 complete a CPARS, which is the Contractor Performance
4 and Review System, C P A R. If you ever get a chance,
5 go out to CPARS.gov or just Google it and see what
6 comes up. And I tell you, if you're an older gentleman
7 like myself, you'll be instantly transported to the
8 past. So I want to put that on the record as well
9 because that's something that we on this committee can
10 influence, and that is the updating of some of these
11 legacy applications. Thanks.

12 MR. STUBBLEFIELD: Thank you. Thank you for
13 those comments. So I will conclude the OVBD update and
14 turn it back over to our Chair.

15 MS. PEREZ-WILHITE: Next up we have ethics and
16 conduct brief, briefing by Larry Webb, Senior Legal
17 Counsel. I believe we're going offline for that, and
18 I'd like to have Kandis stay on the line, though, if
19 possible. Are we able to do that, leave Kandis on and
20 not have the public on at the same time?

21 MS. PORTER: Yes, absolutely, I can stay on.

22 MS. PEREZ-WILHITE: Thanks, Kandis.

23 (Ethics and conduct briefing conducted off
24 the record.)

25 MS. PEREZ-WILHITE: Okay, everyone, it's break

1 time until about 10:20. Thank you.

2 (Brief recess.)

3 MS. PEREZ-WILHITE: I have to say I'm very
4 impressed. I saw a lot of business cards being
5 exchanged during the break. It makes me very happy. A
6 lot of bonding was occurring, too. It's a great way to
7 use our breaks.

8 Larry?

9 MR. STUBBLEFIELD: Okay, we have the pleasure
10 of having our partners from VA here to give the
11 committee an update, and at this time, I'll turn it
12 over to Ms. Sharon Ridley. Thank you, Sharon and your
13 team, for being here today.

14 MS. RIDLEY: Thank you, and good morning,
15 everyone. Thank you to committee and to Stan for
16 inviting us here to speak with you today. I'm joined
17 by subject matter experts from our verification program
18 and our information technology system integration
19 program, Mr. John Perkins, CVE, and Mr. Ray Dockery
20 with our information technology program.

21 They will be answering some of the questions
22 we received from you earlier regarding verification and
23 the technology program, and, however, before they share
24 their responses to your previous questions, I want to
25 share some small updates on verification and VA's

1 efforts to increase economic opportunities for veteran-
2 owned small businesses.

3 So since Mrs. Harvey and I joined OSDBU in
4 January 2019, the verification program has seen
5 significant change driven by our commitment to improve
6 customer service to veterans seeking contract
7 opportunities at VA. The average total processing days
8 have decreased. We are now down to 28 total calendar
9 days versus 87 calendar days a year ago. This is well
10 below the 90-day standard set for verification process.

11 Previously, we reported about 17 days average
12 processing time for FY2020, but that number only
13 included the amount of time the application is with the
14 CVE reviewer versus some of the time that the veteran
15 had the application and was answering questions. We
16 have refined the simplified reverification process,
17 which drastically reduces the processing time by as
18 little as five days for veterans, and at some of the
19 speaking events that I've attended recently, some
20 veterans have reported that they've received
21 reverification within one to three days.

22 We currently have approximately 13,942
23 verified veteran-owned small businesses listed in our
24 vendor information pages. In FY2019, VA spent \$27.4
25 billion on goods and services, and we actually have a

1 slide that didn't make the slide deck that actually
2 shows you VA common spend. At some of the speaking
3 engagements that I've attended recently, many veteran-
4 owned small businesses found it helpful to streamline
5 some of their NAICS codes and focus a little bit more
6 on some of the areas where VA is actually spending
7 dollars. So I understand that Stan will make a copy
8 for the committee, but he'll also send it out because
9 this is public information.

10 The Department continues to place VOSBS at the
11 head of the line for VA procurements. Currently, 1.42
12 of FY2020 VA procurement dollars have gone to veteran-
13 owned small businesses, and 1.36 billion went to
14 service-disabled veteran-owned small businesses. At
15 the NVSBE conference in 2019 in December, many of you
16 might have attended that, but 2,201 attendees had
17 access to approximately 159 VA procurement decision-
18 makers. As we advance further into 2020, we have
19 already conducted 12 events with 72 veteran-owned small
20 businesses and 62 large businesses. Furthermore, we
21 have over 80 direct-access program events planned for
22 this year. This will enable veteran-owned small
23 businesses to take advantage of more face-to-face time
24 with procurement decision-makers.

25 We're looking forward to continuing our

1 partnerships with the SBA and other government agencies
2 and examining ways we can increase procurement
3 opportunities for veteran-owned small businesses
4 federal-wide. I also want to let you know that I
5 welcome your feedback on our small business programs
6 and on how we can better assist and support you through
7 your veteran small business journey. In case you're
8 unable to share your thoughts with us here today, I
9 kindly ask that you pass your thoughts and ideas to
10 Stan following this meeting.

11 And now I'd like to introduce our Acting
12 Director for the Center for Verification and
13 Evaluation, Mr. John Perkins. John brings more than
14 seven years of experience as a CVE leader, including
15 three years as an evaluation team lead and
16 approximately five years of service as the Deputy
17 Director for CVE.

18 John.

19 MR. PERKINS: Thank you, Ms. Ridley. From the
20 last meeting, the question was asked, do any cases that
21 are administratively removed ever make it to the
22 approved category. The specific answer is if an
23 application is removed and reported as being removed,
24 that specific application could never again, at that
25 point, become an approval. However, the business

1 itself could end up becoming an approved, only if it
2 submits a new application with the system, but that
3 would be considered a new separate application.

4 Also from the last meeting, the question was
5 posed, why does CVE require city and county licenses
6 and permits. The answer is certain business types, by
7 law, need city and county business licenses or permits.
8 For example, architecture, engineering, and medical
9 services may need county or municipal licenses to
10 operate. To elaborate, the regulation does not
11 distinguish between state, local, and county-required
12 licenses, so CVE cannot overlook licenses that may be
13 required at the city and county level that if not
14 obtained and up-to-date would otherwise prevent a city
15 from -- a business from operating.

16 For the last question, let me introduce Mr.
17 Ray Dockery, sitting to my left. Ray has been with VA
18 OSDBU for about seven years, leading and managing all
19 OSDBU IT programs, to include all the veteran
20 enterprise management system that runs the verification
21 system that I am in charge of.

22 Ray?

23 MR. DOCKERY: Good morning, John. Good
24 morning, Committee. This is Ray Dockery. Thank you so
25 much. So during the last meeting, the question was

1 asked, can we receive notification of VA contracting
2 opportunities on Beta.Sam.gov as we did the old version
3 of SAM, which were posted to FedBizOpps. We heard
4 several complaints. I, in fact, attended that meeting.
5 I took that back. We reached out to our VA liaison at
6 GSA.

7 According to the director of Beta.Sam.gov,
8 they have been working hard on a series of updates to
9 that system. They have assured us that the
10 notifications have been fixed. I did send a couple of
11 followup emails to several members of the committee to
12 ask them whether or not that, in fact, they were seeing
13 an improvement. If there's additional issues that you
14 find, please feel free to reach out to me. I'll reach
15 out to GSA. But you can also submit a request through
16 the Federal Service Desk at GSA as well. So thank you
17 so much.

18 MS. PEREZ-WILHITE: Mr. Dockery, I appreciate
19 you looking into that for us. I have a concern. I
20 have not been able to test it since you sent the email
21 the other day, but if we're not able to get the
22 notifications properly or quickly like we were able to
23 with FedBizOpps, and if we're not able to filter down
24 to the opportunities in a timely manner -- sometimes it
25 takes hours to do what could have taken three to five

1 minutes in the past -- if that is not taken care of
2 soon. And now GSA is moving on to update FPDS. Will
3 they be able to do both at the same time? Fix the
4 problems that are with the new Beta.Sam.gov with the
5 contract notifications and notifiers and do the FPDS at
6 the same time?

7 MR. DOCKERY: That's a question I would like
8 to take back to GSA. It's not within our power here at
9 VA in terms of Beta.Sam.gov, but I will gladly take
10 that back to our GSA liaison.

11 MS. PEREZ-WILHITE: Is it possible to have the
12 GSA/VA liaison come to this meeting if we still have
13 problems? And I'm also concerned about FPDS, by the
14 way. I use FPDS at least five days a week, and it's --
15 that's a very serious website that a lot of veteran
16 business owners use, and I'm afraid if it's implemented
17 the same way this was, there's going to be a lot of
18 problems.

19 MR. DOCKERY: I'm not sure what the process
20 is, but perhaps, Mr. Stubblefield, if we can invite GSA
21 to this meeting, perhaps that would be helpful.

22 MR. PHIPPS: Hi, this is Mike Phipps.
23 Yesterday, we had the Interagency Task Force, and Beth
24 was there, and she had mentioned something that
25 renewals of CVE are down, meaning companies are no

1 longer seeking to renew, and that's a statistic that
2 we've been following not just for the CVE program but
3 government contracting in general. We use that
4 statistic to see if there's a barrier to entry into
5 government contracting.

6 So a big thing on this committee is that a few
7 small businesses -- so we see these numbers, you know,
8 1.6 billion to SDVOSBs, and one of our biggest concerns
9 have always been that's consolidated with a very small
10 percentage of companies. So this -- that being the
11 bigger picture, this is another indicator that I think
12 I'm glad Beth brought it up, just as something for us
13 to be aware of, you know, to start the nonrenewals,
14 just to track those statistics and how many new
15 companies are coming in, how many people are dropping
16 off, and then if we could see what they do and what the
17 reasoning, any statistics around that information.

18 MR. O'FARRELL: And Jim O'Farrell following
19 up. Is there a way for you to find out through a
20 survey why they are not renewing their CVE
21 verification?

22 MR. PERKINS: So the answer is we had a
23 process that is fairly easy to get through, so it's
24 usually -- you're correct that you would have to survey
25 the folks as to why they're not coming directly back

1 in. That's the only way to understand why they didn't
2 recertify because recertification is as simple as going
3 back in and saying I want to recertify, because you
4 already have a -- you already have an application
5 there, so all you have to do is do the recertification
6 process. So it would be through a survey, and we'll
7 have to go back and huddle within OSDBU and CVE and try
8 to figure that out through a survey.

9 MS. RIDLEY: Well, without that information, I
10 can share with you that we've refined the process to
11 simplify it, and with 15 very quick questions, and if
12 they answer yes to those questions or that there's been
13 no major change over the last three years during their
14 first certification period, then that application rolls
15 through rapidly. And so what we've done is worked to
16 simplify the process so it's not, you know, a lengthy
17 process and burdensome to the veterans. But we're just
18 -- we probably need to make sure we get that
19 information out there stronger.

20 MR. O'FARRELL: Well, I mean, I think -- this
21 is Jim O'Farrell again. I think the concern could be
22 that they're not recertifying because they were not
23 able to win any contracts, and I know that's not all in
24 your purview, but, you know, I'll mention a situation,
25 for example, the Vector IDIQ. Are you familiar with

1 the Vector? So there's a -- we're seeing a trend in
2 the SDVOSB community at VA, not -- okay, don't know if
3 I want to characterize it as a trend, but we have a
4 couple of anecdotes where a logically VA contract that
5 should go SDVOSB was not -- was not put into Vector; it
6 was steered toward a non-SDVOSB, and I don't want to
7 put on the record the VA sub-organization that has done
8 this, but, you know, we are concerned.

9 I know that Terry Blum, I believe, is the
10 contracting officer that's working very hard to try to
11 keep those contracts that either already are SDVOSB or
12 those that have the rule of two and have, you know,
13 logically identified through market research veteran
14 organizations, veteran companies that can do them. So
15 I'm kind of, you know, trying to address this from the
16 push and the pull, the supply and the demand.

17 So we have this supply now, and I think the
18 number was 13,000 companies that are in the CVE
19 verification, so then on the demand side, how are we
20 addressing contracts that may -- do you do forces that
21 are at work within the VA or within the large business
22 community are trying to push contracts away from -- and
23 do you all -- and I guess, so let me end that long
24 soliloquy there with a question. How do you all engage
25 with the contracting officers and other community

1 members within the VA to ensure that you've taken them
2 and brought them into the process and now that they're
3 getting an opportunity to compete for contracts. Is
4 there any connection there?

5 MR. PERKINS: There is, by the NVSBE, we have
6 multiple outreaches through our direct access program
7 that actually speaks to exactly what you're talking
8 about, trying to marry up what the actual function of
9 the business is with what we're trying to find as far
10 as what we need because it has to be a marrying up for
11 the program decision-makers, the PDMs. And when Mrs.
12 Ridley passes this out, this is where they need to go,
13 because these are the NAICS codes that we're looking
14 for.

15 And, yes, you are correct. There are 13,000,
16 so you would think that there'd be a lot more companies
17 doing business with the VA, but if the NAICS code, the
18 actual business type, is not married up with what we
19 need, then it becomes kind of a disconnect. So going
20 to these NVSBEs and these DAP events is critical to
21 finding that out and maybe talking to those decision-
22 makers on what they're looking for to find out exactly
23 what they should be moving their business toward, if
24 that makes sense.

25 MR. O'FARRELL: So it does -- this is Jim

1 O'Farrell again. So it does make sense to me. I am
2 curious, if maybe at the next meeting one of the
3 questions we could ask the VA to come back with an
4 answer to is in your database of 13,000-plus companies,
5 we have the following NAICS code breakdown, you know,
6 and 80 percent of them have 541611, and then over here,
7 in the opportunities that have been put out by the VA
8 in the past three or two or three years, we're seeing
9 the prevalence is medical equipment versus professional
10 services.

11 I don't think that's the case. I think there
12 are a lot of both. But, you know, maybe we have you
13 all take a look at and working with the small business,
14 and as you're with the small business office as well,
15 is have you look at what are the opportunities that are
16 coming out by NAICS code compared to what we currently
17 have. And we have -- we actually have determined that
18 a larger percentage than we expected of CVE-verified
19 companies are in the wrong -- have the wrong NAICS
20 code. At least we could, you know, try to dig in a
21 little bit more on this, I guess is where I'm going.

22 MR. PHIPPS: This is Mike Phipps. So I want
23 to say about three meetings ago we had this discussion
24 about the length of time an application takes to get
25 approved, and that after a certain amount of time, if

1 the company is not responding that they get dropped
2 because there's no response. And actually this might
3 have been about a year ago. We had people screaming on
4 the phone that that's not what was happening, that we
5 were dropped automatically, we didn't want to be
6 dropped, and that that is -- that that process that was
7 described was not true.

8 Granted, that's anecdotal, we get it, like
9 we're talking about -- the people who tend to have the
10 issues call in; however, having a discussion with
11 another one of those companies this week, something
12 came to light that if we understood that process, like
13 if that's an only-VA process, like if there was an
14 SDVOSB buy-in, like, hey, click this button because
15 this is what's happening, and if you really don't want
16 to be dropped, then there's some independent input from
17 the actual company that could -- that could occur,
18 understanding, you know -- that would give you guys
19 some better feedback because we got an earful on that
20 meeting from a number of companies.

21 MR. PERKINS: I'd love to answer that
22 question. The way it works, and here's the secret to
23 it, if -- there isn't a secret, let me tell you this.
24 There isn't a secret, but the way this works is if the
25 application is in and there is any interaction -- and

1 interaction means you called in or you called the help
2 desk -- one of those two things have happened, the
3 clock resets, automatically sets for another 30 days.

4 MR. PHIPPS: And that specific action was what
5 these companies were complaining about, that the clock
6 didn't reset for them.

7 MR. PERKINS: Well, then, I would love to hand
8 my business card to you, and then I would love to work
9 with those individuals that that happened to because
10 then I get to go back to my favorite person in this
11 room, which is Ray Dockery -- he's smiling because he
12 knows that's exactly what I'm going to go say, and say
13 hey, is the IT system functioning as it is, and he's
14 far brighter than me and better looking, so I know
15 he'll find the answer.

16 MR. PHIPPS: Yeah, so, I can actually pass on
17 just those company points of contact --

18 MR. PERKINS: I'd love that.

19 MR. PHIPPS: -- and have them -- and then
20 we'll just get to the bottom of it because from our --
21 when that happens on this committee, we just have to
22 take it at face value when we hear that feedback.

23 MR. PERKINS: Fair enough.

24 MR. PHIPPS: Great.

25 MS. RIDLEY: And, sir, one thing I want to

1 add, too, is that I'm not sure about other
2 organizations, but we're accessible. People can reach
3 -- people reach out to me directly all the time. If
4 they email me with a challenge like this, I will get it
5 to John. We get responses back within a day or two.
6 So we're open to, you know, directing any of those
7 inquiries to us. We'll take care of our veterans.

8 MR. PHIPPS: This is Mike Phipps. We have to
9 say that this last year to 18 months of the VA's
10 interaction has been a complete 180 from what it was
11 two, three, and four years ago. We are impressed with
12 how much the VA has really changed, with how at least
13 we've been dealing with them and the information coming
14 out and the transparency is something we didn't have,
15 which was kind of something Fran had addressed earlier
16 on. We've had an uphill battle with the VA, but
17 recently, and I don't know if everybody else feel this
18 way -- I do -- that we've had a lot better response
19 from the VA and you guys coming here, I mean, it means
20 a lot because you guys are a pivotal part of kind of
21 what this committee is about.

22 MR. O'FARRELL: Jim O'Farrell. He beat my --
23 he beat my finger to the button to talk. I was going
24 to say the same thing. There's been a sea change in
25 how you all have been -- the feedback I'm getting from

1 the veteran business community, the time I personally
2 recently went through the renewal process, and I
3 actually -- I got a call in the middle of a meeting,
4 and it said -- I think it said no caller ID or
5 something. I was, like, well, usually that's somebody
6 that is -- I better talk to because it could be good
7 here.

8 And it was actually a VA employee calling to
9 ask me if I had missed an email notifying me that I was
10 -- we had a thing we had to do, we had to check. It
11 turned out it was the Delaware incorporation documents
12 or something like that. And so -- but I was shocked
13 that you all -- it wasn't just left at "you missed an
14 email; it went to your spam file and you're done,
15 you're tossed out after like five years in the CVE
16 verification." I actually got a phone call from an
17 analyst wanting to know if -- you know, is this your
18 intent. So, to me, to me, and that's probably my GPS
19 going off or something -- to me, it's that kind of
20 personal touch that will do so much for you all to
21 change any perceptions that linger out there in the
22 community.

23 MS. RIDLEY: Yes, sir. And we are all ears.
24 One of the focuses for 2020 is to refine our processes
25 based on the feedback that we received in various

1 venues in 2019 since we've been on board. And I was
2 speaking to Mr. Wynn just a few minutes ago, you know,
3 just gathering some feedback about our NVSBE process,
4 and we're going to set up a call in the next week or
5 two so he can tell us how we can continue to improve
6 that process and make it, you know, more meaningful to
7 our veteran-owned small businesses. We are open ears
8 for any of those kinds of things. So thank you for
9 that feedback, too, gentlemen.

10 MS. PEREZ-WILHITE: Ms. Ridley, one way to
11 keep this going is if you commit once again to make
12 sure that the VA is at every single one of our ACVBA
13 meetings.

14 MS. RIDLEY: Okay.

15 MS. PEREZ-WILHITE: Will you promise us that?

16 MS. RIDLEY: Yes.

17 MS. PEREZ-WILHITE: I also have a question
18 about the NVSBE. A lot of veteran business owners have
19 said, and I'm sure you've heard this before, that the
20 cost is too much for them. This committee has outreach
21 throughout the entire nation. Is there any way you
22 could utilize us to help you find a venue that may be
23 less costly or find a way to make this more cost-
24 effective for all veteran business owners that would
25 like to attend? I know that also the OVBD is having

1 their summit in Las Cruces, New Mexico. Stan said that
2 they have really reached out and kept everything very
3 affordable. Is there any way we here can help you with
4 that?

5 MS. RIDLEY: So VA contracts out the services
6 of coordination for that venue, so we do not set the
7 pricing for it, but we're certainly open to feedback
8 that you may have that, you know, could improve the
9 cost for veterans but within, you know, what we can do,
10 because we're not accepting the fees for that
11 conference.

12 MS. PEREZ-WILHITE: And that's -- and that's
13 Halfaker and Associates again that has the contract to
14 do that?

15 MS. RIDLEY: We did not use Halfaker this
16 year. I think it was FedComm.

17 MS. PEREZ-WILHITE: Well, you know, we're
18 willing to work with whoever to make this happen
19 because we do know the veteran business owners that
20 attend and also myself, I've attended at least five of
21 those events. I know they're worthwhile, and we want
22 to make sure that all our veterans have access to that
23 information.

24 MS. RIDLEY: Thank you.

25 MR. STUBBLEFIELD: I was going to say we could

1 loan you Stan to plan it because that's how we're doing
2 it. We're doing it in-house, you know.

3 All right, so are there any other questions or
4 thoughts for the VA?

5 MR. O'FARRELL: Jim O'Farrell again. I do --
6 I do have one -- just one quick question, Joe. Are you
7 all seeing a trend in joint ventures, an increase, an
8 uptick in the number of joint ventures that are coming
9 through the CVE verification? Is the number the same,
10 increasing, or decreasing over prior years? And you
11 may not have that answer, but if you do, that would be
12 great.

13 MR. PERKINS: Speaking to a specific trend, I
14 wouldn't have exactly whether the bubble is headed up
15 or is headed down, so if you want, I can go back and
16 research that, but I'd be guessing if I said, but I
17 know they're still coming through because I see them
18 coming through.

19 MR. O'FARRELL: Okay.

20 MR. PERKINS: And there's a lot of interest in
21 them. I will tell you that.

22 MR. O'FARRELL: Yes.

23 MR. PERKINS: I get a lot of questions on
24 that.

25 MR. O'FARRELL: We're seeing a lot of that in

1 the community right now, it seems, and that the VA is
2 allowing for -- in some cases -- well, I guess it's
3 required to allow a joint venture that's gone through
4 and if they've gone through the all small mentor-
5 protégé program and then they have a joint venture on
6 top of that, it allows the large to do 60 percent and
7 the small to do 40 percent. Is that -- is the VA using
8 that, or does the Veteran Business Act require a
9 different -- I know I'm now getting into contracting.

10 MR. PERKINS: So the only thing that I do
11 know, I can speak to the VA program and verification.
12 I know that what we call the underlying company has to
13 be verified. And then there's a separate JV process
14 that has different items that they have to meet based
15 on the SBA regulation for joint ventures. So first we
16 have our own verification process. The underlying
17 veteran company has to be through our wickets, if you
18 would, our process, get certified, and then there's a
19 joint venture process that -- with separate checklist
20 items that we go through documents and certifications
21 that we look at, and then they get certified for that.
22 So really it's almost two separate certifications, if
23 you would, and that's really all I can --

24 MR. O'FARRELL: Yeah, I mean, I think my take
25 has been that there is a -- there was, after

1 Kingdomware, this very strong push by large businesses
2 to say, you're going to exclude us; now you're going
3 to just do nothing but small business, you know,
4 service-disabled and veteran-owned small businesses.
5 And now -- and then there was, you know, the middle
6 ground is to do a joint venture. And so I'm thinking I
7 would be very interested to see what the actual data
8 shows on that number of applications submitted and
9 number of approved joint ventures in the past, say,
10 two to three years. Thank you.

11 MR. PERKINS: Yes, sir.

12 MR. SHARPE: Joe Sharpe, the American Legion.
13 On this sheet here, you do 14.4 billion in regards to
14 medical type supplies?

15 MS. RIDLEY: You said is that a surprise?

16 MR. SHARPE: No, I -- yeah, I'm just --

17 MS. RIDLEY: Oh, you're surprised by us -- oh,
18 what's surprising.

19 MR. SHARPE: And while looking at that, I know
20 there's some concern with some of our members at the
21 Legion, you're modernizing your surgical medical supply
22 chain. And there's some concerns that maybe this
23 contract will go to DHL or some other large
24 organization and some veterans will be left out of the
25 program. Do you know anything about that or how that's

1 going?

2 MS. RIDLEY: Yeah, some of that is
3 sensitive -- some of that is sensitive procurement
4 information, and I'm not directly involved in that
5 process.

6 MR. SHARPE: Oh, okay.

7 MS. RIDLEY: So I would prefer not to, you
8 know, guess at that.

9 MR. SHARPE: Okay.

10 MR. PHIPPS: This is Mike Phipps. Joe, isn't
11 the SBA and the VA and the American Legion doing a
12 roundtable on this soon?

13 MR. SHARPE: Mm-hmm.

14 MR. PHIPPS: Maybe we could get an update on
15 that from that roundtable. Is that something that the
16 Legion could share afterward?

17 MR. SHARPE: Well, the Legion can, but I
18 wanted to bring this up in this forum here. That
19 seems --

20 MR. O'FARRELL: Joe, this is Jim O'Farrell.
21 Right, could we ask that question? Could we -- through
22 the question process that has been working really well,
23 is Joe can provide the question that he would like
24 answered for the next meeting.

25 MS. RIDLEY: Yes.

1 MR. SHARPE: But this negotiation, does your
2 contract handle that, or is it another part of the VA
3 or --

4 MS. RIDLEY: So that -- yeah, VHA, Veterans
5 Health Administration, is managing that process.

6 MR. SHARPE: It's not a process that OSDBU is
7 directly involved in; however, during 2019, we did host
8 an industry day virtually where we had VHA procurement
9 decision-makers in the room, and we had more than 400
10 callers dial in to gather information about upcoming
11 opportunities pertaining to MedSurg prime vendor. So
12 they were able to garner a lot of information at that
13 time.

14 MR. SHARPE: Okay, thank you.

15 MS. RIDLEY: So...

16 MR. STUBBLEFIELD: I was just wondering, Joe,
17 to really clarify it on the record if you want to just
18 talk a little bit more about what the issue is from
19 your constituents' point of view.

20 MR. SHARPE: Well, the issue is some of our
21 members feel like that contract is going to go to a
22 large organization or another DoD federal agency and
23 that small business owners will be locked out of
24 getting those contracts, that they'll lose them. And
25 there's also an issue with how well veterans will be

1 taken care of if it goes to another large entity
2 instead of how it's going now. So the concern about
3 how it's going to be modernized. I don't know much
4 about it, but I just keep hearing folks bring that up.
5 And I thought this would be a good place to just get it
6 on the record that that is a concern.

7 MS. RIDLEY: So I'll take that back to VHA
8 procurement decision-makers and just kind of, you know,
9 see what information that's not procurement-sensitive
10 that we can bring back and share to the committee. I
11 would be surprised, though, if there weren't
12 subcontracting opportunities if that were to happen
13 that way because you know that the medical center,
14 they're -- you know, we have over 1,243 sites of care,
15 and it would be almost impossible for a large business
16 to have a presence in every single space, you know,
17 throughout the United States and all the 780 community-
18 based outpatient clinics. So there would have to be
19 some subcontracting opportunities for small businesses
20 within that. And that's just an --

21 MR. O'FARRELL: Jim O'Farrell again. So when
22 you come back with the answer, maybe or as you're
23 asking the VHA procurement folks for information about
24 it, you could ask about, you know, guaranteed
25 subcontracting opportunities, like 30 percent of the

1 cost of the procurement must be borne by small
2 businesses so we can have a sense, is it an IDIQ, is it
3 a BPA, how are they handling the small business side of
4 it. Is it going to -- do they have to qualify SDVOSBs
5 so they have to put it out to the SDVOSB community.

6 MS. PEREZ-WILHITE: Can we have a VHA actually
7 come?

8 MR. STUBBLEFIELD: Yeah, I was just getting
9 ready to ask if you could -- yeah, if we could have a
10 rep maybe come, knowing that, like you said, there's a
11 sensitive, you know, portion of it, but just to come
12 and speak about the issue in general terms, if you
13 will.

14 MS. RIDLEY: We will make that (off
15 microphone).

16 MR. SHARPE: Thank you.

17 MR. LOWDER: Lynn Lowder, Veteran Business
18 Project. A couple things here. Can you hear me okay?

19 Lynn Lowder, Veteran Business Project. A
20 couple things here that we're concerned with. I'm in a
21 501(c)(3), and we match spouses and veterans looking to
22 get into business and we're matching them up with
23 existing businesses already. Now, we've got over 50
24 percent -- or about 50 percent of our current veteran-
25 owned businesses that are a 73. And 74 percent are 63

1 and older. We have a declining number of veterans in
2 business, small business.

3 It was -- well, 50 percent nearly post-World
4 War II; 40 percent Korea. Now it's 4.5 percent. Some
5 of these current veteran-owned businesses have
6 government contracts. One of the things we're trying
7 to elevate is just the notion that we're coming to a
8 real inflection point here with a number of these
9 businesses here already veteran-owned that don't have
10 succession plans.

11 And so veterans, when they're trying to get
12 into business, can do a startup, or they can come
13 alongside an existing business that already is there,
14 the financials are there, financing and everything.
15 It's a much, much more common-sense, frankly, choice
16 and way to go. But I'm thinking this is going to
17 impact you all. Some of these businesses have federal
18 contracts right now. And what I don't want -- what we
19 don't want to see is these veterans -- those contracts
20 being lost if there's a chance of succession and
21 obviously things in a competent way.

22 So whoever needs to hear that message, if
23 they're not alerted to it at the VA, we want to
24 definitely make sure the SBA is alerted to it, and we
25 want to get the word out, especially to these current

1 veteran-owned small businesses that, you know, you
2 don't have to shutter your doors. We don't want you to
3 do that. And we've got veterans out there that are
4 fully capable and ready to come alongside and continue
5 the march. Did that make sense?

6 MS. RIDLEY: Yes.

7 MR. LOWDER: Please.

8 MS. RIDLEY: Thank you, sir.

9 MR. O'FARRELL: Jim O'Farrell again. So along
10 those lines, we at my company recently -- well, we're
11 in the process right now, we just had our stage one
12 audit for ISO 9000 2015 certification. And one of the
13 questions that we didn't expect that came up that we
14 had to actually put together a document to show them a
15 succession plan as part of the audit. And so the last
16 thing I want to do is add another requirement to the
17 CVE verification; however, it could be possible that as
18 you're going through an initial CVE verification or a
19 renewal you could have some sort of a blurb in your
20 documentation that says, do you have a succession plan?
21 You know, contact this office within VA for a template
22 or something like that to get the word out to people
23 that this is something that is required.

24 MR. PERKINS: It wouldn't be probably
25 appropriate from a regulatory or law perspective to add

1 that as a requirement because that's -- certainly it
2 flows down from law, down the regulation, 38 CFR Part
3 74, and that isn't a requirement for us to add that.
4 Certainly there would be some veterans raise up their
5 hand and say, wait a second, you're going outside your
6 own regulation; you can't make us do that.

7 But maybe as an informational thing we could
8 discuss back at OSDBU whether or not we want -- might
9 want to put that out in some of our webinars or some
10 other forum, and maybe even at the NVSBE DAP events
11 that this is -- that this is something that should be
12 considered. That's a great point, but we want to do it
13 the right way so we're not limiting people from going
14 in, because we certainly don't want to do that. We
15 want our doors wide open for verification.

16 MR. O'FARRELL: Jim O'Farrell again. This is
17 exactly the kind of collaboration that three or four
18 years ago Mike Phipps and I used to walk out in the
19 hallway and go, why can't they talk to us and work with
20 us and da-da-da. This is exactly the kind of
21 collaboration. We throw an idea out and you guys don't
22 just shoot it down. You say, hey, well, let's -- you
23 know, once again, kudos to you.

24 Lynn Lowder, kudos to you for bringing it up.

25 MR. LOWDER: Let me add this in, too. Lynn

1 Lowder, Veteran Business Project. A hearty second to
2 what Jim is saying and what you're suggesting here,
3 too. It would be a good FYI. This is at a crisis
4 portion in California. They're asking us to step in
5 and help them out, CalVet. Texas is at the same point.
6 So if you all could -- information and all, it would be
7 a good idea to be thinking out ahead of this and the
8 ones that currently have contracts, have you considered
9 this. Appreciate your help on that. We're talking --
10 these are our folks here, right, our veterans.

11 MR. PERKINS: Yes, sir.

12 MR. LOWDER: So I want to keep them in the
13 hopper.

14 MR. PERKINS: Yes, sir. We can get that
15 message out in various opportunities through OSDBU.
16 OSDBU has got great outreach. It's got great DAP
17 events. We've got people who love to do this stuff.

18 MR. LOWDER: Thank you very much. Appreciate
19 it.

20 MR. STUBBLEFIELD: And are there any comments
21 or thoughts for the VA?

22 (No response.)

23 MR. STUBBLEFIELD: So if not, I just want to
24 add, you know, we're talking about collaboration, but I
25 believe -- I haven't had a chance to come and shake

1 your hand, Mr. Perkins, but I believe you traveled to
2 New Hampshire.

3 MR. PERKINS: I did, and unfortunately, that
4 was like candy to me because my sister lived across the
5 river, and I actually went to Maine Maritime and my
6 grandfather that was an Army -- great-great-great
7 grandfather was a Civil War sergeant, so I went and
8 visited that on my off time -- ma'am -- and I really
9 just had a blast. And I got to say, hey, I'm in my
10 home stomping grounds. I won't say that I actually did
11 some disco over here at this spot over here. We won't
12 talk about that, but that's what I did. So, yes, I
13 loved it. Quiet, Ray, quiet. Long ago.

14 MR. STUBBLEFIELD: Okay, so that everyone
15 knows what we're talking about here, is, you know,
16 we -- OVBD, we had the benefit of the President's
17 salary, and we started the pilot program working with
18 the Veteran Entrepreneurial Training and Resource
19 Network up in the Massachusetts area, and so we've got
20 our first cohort is in session right now, and part of
21 the training was a portion on the CVE because we've got
22 an MOU with the VA to help with the pilot program.

23 And, so, John traveled to New Hampshire, and
24 the feedback we've gotten from the 20 business owners
25 there is that the presentation was fabulous, great

1 information that you put out, and it was -- you just
2 hit a home run there, so I just wanted to say on the
3 record, you know, thank you very much for partnering
4 and doing that.

5 And, again, the collaboration with the VA for
6 the pilot program has been great. You know, we're
7 going to -- this cohort will graduate on Saturday,
8 March 14th, and so we're looking to start the second
9 one up in April, and that would run from, you know,
10 April to September. We're -- the location is kind of
11 iffy right now because we're thinking about New Jersey,
12 but it still may be in the New Hampshire area. So once
13 again, you know, we'll continue to keep you posted on
14 that. But thanks a lot again for coming out, because
15 the CVE is something that, you know, how to negotiate
16 that is something that the veteran business owners want
17 to know. So thank you.

18 MR. PERKINS: Yes, sir.

19 MR. STUBBLEFIELD: Okay, if there is nothing
20 else for our friends from the VA, we'd like -- what
21 we're going to do -- also, thank you very much, and I
22 know Jim had brought it up about the questions, how
23 this is working, the committee is funneling their
24 questions to Stan; Stan's getting it to the VA; and
25 then when you come, you know, we have great discussions

1 here. So we'll continue that. I think we've captured
2 a few from this morning, and we'll get that to you.
3 And then we'll look for the VHA rep possibly at our
4 next session.

5 MS. RIDLEY: Thank you. We'll be here.

6 MR. STUBBLEFIELD: All right.

7 Okay, so we're a couple of minutes ahead of
8 schedule. The public comment period is supposed to
9 start at -- what time is it -- 11:15. So it's 11:10
10 right now, so I guess we can open it up for the public
11 comment period.

12 Please, Joe, please. Absolutely.

13 MR. WYNN: Okay, good morning, good afternoon,
14 good day. Joe Wynn with the Veterans Entrepreneurship
15 Task Force, U.S. Air Force veteran, and member of the
16 public comment committee. I appreciate the opportunity
17 to be here and just, you know, continue to observe the
18 work of this committee and all of those members who
19 continue to participate year after year.

20 I serve as an advocate, primarily though not
21 only VET-Force but the Vietnam Vets of America and the
22 National Association for Black Veterans. And, you
23 know, as a member of the veterans business community as
24 well, I also run a IT training school here in
25 Washington, DC. And we primarily reach out to

1 veterans, but it's open to the public. We've been
2 doing it now for about 10 years, and we're continuing
3 to reach out to the community and work with veterans,
4 not only in business, workforce development and
5 employment, but also to identify, you know, ways to
6 support and assist veterans with whatever they're going
7 through. So we connect with homeless veterans
8 programs, women's veterans, minority veterans as well
9 across the board, basically.

10 But in observing and participating and
11 attending many of these committee meetings for the
12 Veterans Small Business Advisory Committee, as well as
13 the Interagency Task Force meeting which was held
14 yesterday.

15 Just a couple of comments that I'd like to
16 make from the perspective of an attendee who's in the
17 community as a veteran, wanting to benefit from the
18 work that you do in these committees. One of the
19 things that would be helpful -- well, a couple. I got
20 a couple of comments. The annual report is one of the
21 vehicles that I guess these committees use to get the
22 information out to the community that you've been
23 deliberating on and discussing all year.

24 There's been a number of times that those
25 annual reports are significantly delayed in getting to

1 us. So we have all this discussion that you're doing.
2 We don't get it. So if I'm not getting it and I'm here
3 often, you know that other veterans business community
4 members are not getting it. So we want these
5 committees to be relevant. We want them to be
6 effective and meaningful, you know, not a waste of your
7 time and waste of, you know, anybody else's time. So,
8 I mean, just give some thought to how to get
9 information out to the community more often.

10 Matter of fact, I was hoping that you would
11 even consider a way to get information out more
12 frequently than waiting for an annual report, which may
13 not even come, at the end of the year. Just as the
14 discussion you just had today with members of the VA,
15 we -- members in the community, we're not going to hear
16 that. We're not going to know anything about what was
17 just discussed. Now, of course, there are the minutes,
18 but then you got to go find those at some point in
19 time. So, I mean, we have all these new technology
20 advancements, communications, devices.

21 One of the things that used to happen, too,
22 you know, some years ago, we did have a lot more
23 participation of the veterans business community.
24 There was a lot more interest in these committees. If
25 we're going to continue with these committees, and I'm

1 saying these because I'm also thinking of the Task
2 Force as well, we've got to make them relevant and
3 we've got to continue to find a way to impact the
4 current business community so that it's an interaction
5 between what you're doing here as members of the
6 committee and what's happening out there with the other
7 business owners. There should be some feedback coming
8 in and then the dialogue and what you're discussing
9 going out.

10 Another thing, too, I just wanted to mention,
11 you might consider establishing annual goals at the
12 beginning of each year, you know, and again from my
13 observation with the committee meetings going from, you
14 know, we end -- you have one, I think, in December, and
15 then the next one starts around this time of the year,
16 and it continues on that quarterly cycle throughout,
17 year after year, it's just kind of beginning to flow
18 from, you know, an in-house discussion from every three
19 months to another in-house discussion. Why not
20 consider establishing some goals, either at the end of
21 the year, at that last meeting, or when you come to
22 this first session, let us know what are you really
23 going to be looking at this year. Okay, what kind of
24 things are you guys really going to do, focus on.
25 We've got to see where is some progress. What progress

1 has made in the veteran business community from year to
2 year?

3 We've talked about a number of things. We've
4 talked about this thing about SBA and VA verification,
5 right, that the verification was going to go Federal
6 Government-wide. It was going to not just be limited
7 to getting certified at the VA but certify all veterans
8 across the whole federal marketplace. Where is that
9 today? Where are we with that? We've talked about
10 this thing time and time again. But there's no
11 resolution to it that I can see at the moment. We've
12 made some progress. It's moved in a certain direction,
13 but it still doesn't seem to be resolved.

14 We've talked a number of times about
15 increasing the mandatory percentage of -- the
16 percentage goal for service-disabled vets from 3
17 percent to 5 percent. That's been on the table a
18 number of years. Where -- it's like it's a discussion
19 that comes up and then it just fades out, but if
20 nothing's documented and put in writing and made
21 recommendations -- by the way, the recommendations that
22 are made that come through your annual reports, it
23 would be nice if at the beginning of the next year we
24 would get an update on what's happening with those
25 recommendations. Otherwise, it's just, you know, that

1 dark hole type recommendation. You know, you put it in
2 the book and it just goes into the hole; put it on the
3 shelf. But we got to find a way to make some
4 significant progress and document it so that we can see
5 that some growth and efforts have been made.

6 We talked to -- I've heard a lot of discussion
7 about the impact of federal strategic sourcing
8 initiatives. More and more agencies are going to be
9 using those vehicles. And more and more, we're seeing
10 where more small businesses are being impacted and not
11 necessarily in a positive way because of these
12 strategic sourcing vehicles. So what -- you know, just
13 we're having discussions about them, but what can --
14 what is being done to make some difference? It doesn't
15 look like the small businesses are really winning. Of
16 course, those that get selected on one of those
17 vehicles and get a contract, they're, you know, feeling
18 really great, and then, boom, they're out of -- you
19 know, out of the discussion and out of the small
20 business category because they get so much business.
21 But look how many hundreds of businesses that are not
22 getting business.

23 This issue with AbilityOne versus the VA Vets
24 First priority, now, this -- I haven't seen anything
25 documented from this committee or the Interagency Task

1 Force saying anything about it. Now, we've had
2 discussions, and I'm sure that -- well, I want to
3 believe that the members of this committee support
4 veterans first, particularly at the VA. Well, put
5 something in writing. Make a recommendation.

6 Now, I know the SBA, the agency, they -- you
7 know, they can't say but so much, but members of this
8 committee, you're supposed to be able to say what you
9 want to say and based on what you believe and based on
10 the feedback you're getting from the vets community,
11 right? Let's document something, let's put it in
12 writing, put it out there.

13 Just a couple of other things. I won't -- you
14 know, don't want to hold up everybody's time, but,
15 again, I think that the goals -- setting goals at the
16 beginning of the year, getting the annual report out,
17 if you're not going to do just the annual report, you
18 can do some mini reports or something, but not just
19 post them. Send them out. Distribute them to the
20 community so we can circulate them and get them out
21 there and let people know what's going on.

22 The other thing -- one other thing, and this
23 is my last comment, because I got a lot of stuff going
24 on, when you're setting your agenda, setting the agenda
25 for these meetings, be mindful of -- and particularly

1 it would have worked better if you got a goal, then the
2 agenda is going to be set to try to achieve those
3 goals. But if we're just talking in general, it's like
4 the agendas are just thrown out there.

5 It's like, okay, let's invite them to come to
6 the meeting this week -- this month, and let's hear
7 what they got to say. And we have a discussion, and
8 then three months later, in between that three months,
9 there's no dialogue. There's no input, interaction
10 with the community. If the agendas were pre-
11 established and distributed and came out, you know,
12 ahead of the meeting, you -- it would benefit, I think,
13 the committee because you could possibly get some
14 feedback on what's going to, you know, kind of drive
15 that discussion if the agenda was put out in advance,
16 right?

17 So those are just some of my comments. Again,
18 I do appreciate the fact that we even have a committee
19 to focus on increasing opportunities for veteran
20 businesses. So we would -- you know, I personally
21 would like to continue to see the committee continue to
22 move forward, continue to exist, but, you know, I guess
23 after a period of time, you know, things get old. So
24 you got to do a refresh if you're going to make it
25 relevant and keep it dynamic.

1 So, you know, give it some thought. I know
2 we're rotating chair, we've got a new chair here.
3 Appreciate the new chair as well and the members, you
4 know, who've been here time after time, year after
5 year. Let's see what we can do to, you know, make it
6 more effective and beneficial to all of us our here in
7 the community. Thank you.

8 MR. PHIPPS: This is Mike Phipps. Joe, great
9 comments. Fabulous comments. I would say three-
10 quarters of them we've had internal discussions on in
11 the past. Some of them are nagging issues, and I want
12 to talk a little bit about that just to let you know
13 some of the things that have happened in the past and
14 maybe give some recommendations to the SBA. I think
15 it's a perfect time to do it.

16 The website for these two committees is very
17 embarrassing on the SBA's website. Years ago, we tried
18 to get our own page or maybe the management of our own
19 page, and there has -- it hasn't been because of the
20 leadership on this committee. It was -- there were
21 regulatory issues that they came back. In fact, we got
22 a domain name. I did it. I was going to post -- the
23 biggest travesty to me about this committee is I get
24 all these -- I get all these slides, and there is not a
25 historical, long-term, match-to-the-subject-matter

1 access to this information. This is public
2 information.

3 One of the reasons we gain knowledge is from
4 sitting here and having access to this information.
5 But that's been one of my -- and that's what I would
6 like to see on the SBA side, and maybe we can
7 rejuvenate that idea and find a better way to do it,
8 but I should -- this information should be benefitting,
9 you know, the \$1.6 billion that's going to the
10 companies that are service-disabled, veteran-owned
11 businesses. So that is something I think we could
12 address, and we might --

13 MR. STUBBLEFIELD: Let's go off the record for
14 a minute, from the public comment period, but if we
15 have another person here that wanted to comment. This
16 is probably, like --

17 MR. PHIPPS: Internal?

18 MR. STUBBLEFIELD: -- internal discussion that
19 we should have. So great comments, and I definitely
20 know you have followup, but we need to capture that
21 internally.

22 MS. PEREZ-WILHITE: Can I answer Mr. Wynn real
23 quick, before we go to the next person? I'm going to
24 answer him real quick with one of the things that he
25 said. I just want to tell him.

1 (Brief pause.)

2 MS. PEREZ-WILHITE: Mr. Wynn, this morning,
3 I'm not sure what time you got here, I went over our
4 new goals for the year. There's four of them. And the
5 agenda today was based on those four goals, and three
6 of them are being addressed today on this agenda. This
7 agenda was done weeks in advance based on those goals.
8 I'll happily share my remarks with you. I could email
9 them to you. I have them all typed up. Okay?

10 MR. STUBBLEFIELD: And you know what, those
11 goals are the basis of the annual report.

12 MS. PEREZ-WILHITE: Right, I'm sorry, yeah. I
13 thought you understood this, but, yes, we're going to
14 use the goals as a basis -- as a base for the annual
15 report, so -- and I'd love to have your input, also.
16 Thanks.

17 MR. STUBBLEFIELD: All right, so --

18 MR. FINCH: Here we go. My name is David
19 Finch. Larry, you've seen me before. And I am -- I
20 own a company. We've narrowed our NAICS code down to
21 236220, which is construction. And I've been in
22 business since 2009. Prior to that, I was a management
23 consultant for 25 years for Marsh & McLennan, working,
24 and then I started the government contracting practice
25 up here in Washington, DC, and worked with a lot of the

1 midcaps and privately held GovCons. And I said, these
2 guys aren't all that bright. If they can do it, I can
3 do it.

4 But to the VET-Force comments, he is spot on.
5 He actually took a lot of words out of my mouth of what
6 I was going to comment on. Several things is -- also,
7 I'm president of the SDV Council down at the Virginia
8 Beach area. We are 501(3)(c) that's up and running.
9 I'm president. We have a board of directors with three
10 SBLOs of three large primes on there. And Peter Gibbs,
11 who I know and met personally, I asked him to come down
12 and he speak, and he spoke. And, Larry, you're going
13 to come down at some point in time and speak.

14 And we started at -- we restarted it back in
15 September, but we represent a significant number of
16 folks down in that area because that's a target-rich
17 area for GovCons. So those are -- that's kind of a
18 little bit of history on me.

19 But the public comment period, one of the
20 friends of mine is suing the Government right now
21 through the VA, which they were still here and I was
22 talking to them, and they're all SMEs in their silos,
23 and we really need a senior SES VA person here to talk
24 about this, but the -- and, quite frankly, Jim, your
25 questions are incredibly penetrating and to the point,

1 and so was your words. I appreciate this committee and
2 what it's accomplishing because I came to the
3 Interagency Task Force last time, and it was weak, very
4 weak, Larry. Half the people didn't show up, but these
5 questions here and these guys are asking exactly the
6 right questions. So I applaud the members of this
7 group. And, Larry, I applaud you for having this
8 group.

9 Fran, a couple things, a couple problem-
10 solving questions you had talked about with the VA as
11 far as the NVSBE. I've been to it a number of times.
12 I didn't go this year because we're construction. When
13 it was combined with SAMMI, I went. We're members of
14 SAMMI, AGC, all those. One thing they could do is they
15 could hold them in the VISN, okay? There's 12 VISNs
16 across the country. For those of you that are not
17 familiar with the VA, that's their -- that's basically
18 their regions. Why not hold them in each region?

19 Yeah, that might require a little bit more
20 work of our bureaucrats, but let's face it, some of our
21 bureaucrats tend to be lazy, not leadership, per se,
22 but some of the bureaucrats in the trenches. So I
23 think that could be a good solution to holding that,
24 and it would be organic to the locality that the small
25 business operates in. Who wants to go to Nashville if

1 all of your business is in Virginia when you can meet
2 the contracting officers at the headquarters of the
3 VISN of one of the 12 VISNs and all the KOs drive
4 there? It'll save them a lot of hassle, and it's just
5 a much more effective use of taxpayer dollars in my
6 personal opinion, one problem in the solving process,
7 because that's what I used to do.

8 A couple things, though, is what the VET-Force
9 guy was talking about -- AbilityOne. The feeling from
10 all the folks that I talk to, which is many, is that
11 this AbilityOne and Congress and the SBA and the VA are
12 starting to erode the -- well, I shouldn't say rights,
13 but the laws and regulations that support the SDVOSB
14 community. And if you're not familiar with the
15 AbilityOne aspect, 225 Congressmen have signed off on
16 it and trying to push it through. I don't think it
17 will pass the Senate. I lobbied the Hill for three
18 years, so very familiar with it.

19 And, so, there's a lot of concern, and one of
20 the members is suing the VA because the VA is trying to
21 use the Government Printing Office to go around the
22 Kingdomware decision, the rule of two, so that they can
23 do an acquisition without having to participate in the
24 rule of two. And that suit is already in progress.
25 And they also won the other suit. There was another

1 suit that was brought up, but Kingdomware is being
2 slowly eroded, and I don't feel like the VA is really
3 backing us on that.

4 And Congress -- and I feel like the SBA and
5 this group -- should be pushing against the legislative
6 groups that have their agendas. And AbilityOne is
7 they're disabled people, but, you know what, the VA is
8 for veterans. And in my opinion, AbilityOne, trying to
9 get in front of the service-disabled veteran that has
10 fought for their country and put their life on the line
11 is wrong. And I'll tell that to anybody.

12 And, Larry, I think it's something you need to
13 fight for because the Democratic Congress now -- and
14 I'm an independent, so I could care less, either side
15 of the aisle -- but they are trying to push this agenda
16 through with AbilityOne because AbilityOne got mad when
17 the Kingdomware decision came out, and it put SDVs in
18 front of them. And it's something you really need to
19 look into, and you really need to get the Administrator
20 involved in it and to talk to the President and to push
21 that into Congress, because if that goes through, it's
22 going to erode Kingdomware, and it's going to erode our
23 rights as the rule of two. The -- and that's a big
24 issue amongst especially product providers, not
25 necessarily me, but product providers and service

1 providers. You probably already know that.

2 So the other thing is, you know, I agree with
3 the gentleman from VET-Force. I think we ought to
4 raise it from 3 percent to 5 percent, and women-owned
5 small business get 5 percent, why is SDV kept at 3
6 percent? I don't understand that, and it's been that
7 way for a long time.

8 And another problem-solving concept about
9 getting this information out is we have a database
10 called SAM. You could go ahead and put these minutes
11 out and shoot them out to every certified CVE, verified
12 veteran. Whether they choose to look at it or not, you
13 have the database and the information ready to shoot it
14 out tomorrow. This IT guy for the VA could take care
15 of that in a minute.

16 And then there's a company that is called
17 Proximity. They -- he is an IT guy that has all the SAM
18 database, et cetera, et cetera. That would be one way
19 of getting information out to the veteran community.
20 And it's pushed information.

21 And the other aspect, Fran, to your point on
22 Beta.Sam, is a disaster. I can't find anything on
23 Beta.Sam. I used to get pushes on the FBO on
24 information on contracts that would come out. Maybe
25 that's the reason why the decline in CVE is happening.

1 These government websites are brutal to navigate.
2 They're really -- and Beta.Sam is just -- they have no
3 push capabilities. I called them, and they don't have
4 it yet. So that's another issue.

5 The other issue is, is I feel like at the
6 Interagency Task Force, when I was here last time, 8(a)
7 has really deep roots within the SBA community, but
8 8(a) is the worst abused program that SBA offers. It's
9 actually lost its luster. It's not supporting what it
10 was originally designed for. Most of -- I'd be curious
11 what the demographics are of the 8(a).

12 I know that there are Indians and other people
13 from other countries that know the laws better, and
14 then they immigrate here. They apply to 8(a) status,
15 and they're getting 8(a) over and above the American
16 taxpayer. That's completely the antithesis of what
17 that -- the program was designed for. And so, for
18 instance, I'll give you an example, the Navy and DOD
19 loves to use 8(a) and large max. And then they're
20 clustered, their SDVs are clustered in certain
21 locations.

22 So, for instance, we are the world's largest
23 Navy base in Newport News, Virginia. Do you know how
24 many SDV max have come out of that area down there?
25 Zero in the last 20 years. Do you know how many 8(a)

1 max have come out? Over 50. Now, you tell me why and
2 how that is, and I'll tell you why that is because I
3 talked to a contracting officer. And I see --

4 MR. PHIPPS: We talked about it yesterday
5 afternoon.

6 MR. FINCH: Okay. And it's totally, totally
7 wrong because we as veterans, they are taking 8(a)s,
8 and they love large contractors because they get what
9 they want, but, you know, you can subcontract all you
10 want, but in our world, we can't subcontract because
11 we're a prime contractor. But they like 8(a) because
12 it's an easy strip. They just strip it out and then
13 large, and then they forget about it. And I think 20
14 percent -- 80 percent of all 8(a)s that are awarded
15 aren't even used, so it's the 80/20 rule. I don't know
16 what the statistics are, but you guys know. That's a
17 real, real issue amongst a lot of SDVs, especially with
18 the Department of Defense and Navy particularly. And I
19 used -- I talked to the head of the Navy, she retired
20 now, but about that, and that's a real issue.

21 So I think the SBA can be very proactive with
22 the Administrator on the Hill with representing the
23 SDVOSB community. And to your point -- I can't even
24 think -- Lynn, one of the reasons why I think we're
25 seeing a reduction -- and the SBA should be concerned

1 about this because the best-run small businesses are
2 run by veterans. The statistics bear it out. You take
3 -- you take the statistics and you look at the
4 statistics of across the board who has the longevity,
5 who starts companies the most, and who ends up being
6 the most successful are veteran-owned companies. And
7 there's a reason for that. Lynn and I talked about it.
8 If you've been a veteran, you've been put through the
9 ringer and you tend to hang in there, and I'm glad the
10 Legion is here, too, because they know this, and I
11 think there should be more support for that.

12 The other question I have is, is -- with the
13 coronavirus. Has the SBA thought about how they're
14 going to support the small, service-disabled veteran-
15 owned community with the coronavirus when you have to
16 quarantine people? And we do hospital construction,
17 and also you have the IT people up here. You have one
18 person, you have to quarantine everybody. How is the
19 SBA going to -- how is the SBA going to support the
20 small business community and the SDVOSB world when you
21 have to quarantine all your people and you can't do any
22 work?

23 We're going to go out of business. China has
24 lost at least 50 percent of their small businesses
25 because of this. And we employ 80 percent of all

1 Americans, the small business community does. And yet
2 large business always seems to get the most attention.
3 I have never figured that out. And we're the ones that
4 are down in the trenches and, you know, I'm not one of
5 these lucky people, as Fran was talking about, where
6 somebody said in here, you can retire and go away, and,
7 you know, I've been living the dream, so to speak,
8 owning my own business, fighting to get financing and
9 all, people in a tough economy, you know, great economy
10 when you have to get people.

11 So these are real, relevant issues, and I'd be
12 curious if you guys haven't talked about the
13 coronavirus, how it's going to affect us and how it's
14 going to affect small business in general and what this
15 SBA is going to do when one of my people gets the virus
16 and everybody's quarantined and I can't do any work.
17 I'm Chapter 11. I don't have the money to support
18 going, you know, two weeks, three weeks with shutting
19 my business down. It's a real existential threat, as
20 they like to say on TV.

21 The other questions, the other items that I
22 had down here was the OSDBUs. Fran, I think that the
23 OSDBUs should be holding quarterly meetings within the
24 VISNs where, again, using the VISN as a platform where
25 all of our localities, because in our VISN it's

1 Virginia and North Carolina. Durham is the head of the
2 VISN; contracting is in Hampton. They should be
3 sending their people out where we can go and meet with
4 them and use the VISN as a platform just like any
5 corporation where they use a region, they'll have a
6 regional meeting. If you're in Region X, you have your
7 meeting in Y, and then corporate comes down to the
8 meeting, instead of holding it in one big conference
9 where you have everybody. I think it's a complete
10 waste of tax dollars.

11 MS. PEREZ-WILHITE: They actually have been
12 having meetings in the VISNs.

13 MR. FINCH: I haven't seen it.

14 MS. PEREZ-WILHITE: It's on the VA website,
15 and they've been doing it quite frequently, actually.

16 MR. FINCH: Let me go back to one other point.
17 If you're running a business, do you think that I'm
18 going to have time to go on the VA website and find
19 these meetings when you barely navigate half of them?
20 So, again, I go back to the pushed information, where
21 FBO had the push, every morning you'd get it.

22 MR. STUBBLEFIELD: Let me ask you, because we
23 need to see if there's any folks online for the public
24 comment period.

25 MR. FINCH: Right, sure.

1 MR. STUBBLEFIELD: So are you near the end?

2 MR. FINCH: Yes, I am near the end. I just --
3 let me see here. The other thing was with CVE
4 verification. I wanted to -- this will be my last
5 point and then I'll shut up, Larry.

6 You have in here where women-owned small
7 business and EWOSBs are going to be certified across
8 the Government. Firms must be certified in order to
9 compete for woman-owned set-aside and sole-source
10 contracts. I'm presuming that's across the government-
11 wide, right? Then that's hypocrisy in my opinion. We
12 have CVE verification for the VA, but yet no
13 verification for anything outside of the VA.

14 So if I wanted to say that I was a veteran and
15 go -- and I work for Booz Allen, was a subject matter
16 expert in whatever, and the Postal Service was offering
17 a contract, I could say that I'm a veteran and go bid
18 on that and win it. So what is it that the women are
19 going to be certified across the Government but yet the
20 veterans and service-disabled veterans are only in the
21 VA, which CVE is a scrub? I mean, it is a real scrub
22 for those who've been in it. I really, really think
23 they need to push this through because you got it for
24 the women, I mean, but you don't have it for the
25 veterans. I'll shut up.

1 MR. STUBBLEFIELD: Well, you know, we captured
2 everything -- your thoughts for the record and greatly
3 appreciate it.

4 MR. FINCH: Thank you.

5 MR. STUBBLEFIELD: And is there anyone on the
6 line for the public comment period?

7 MS. BENEDICT: I'm here.

8 MR. STUBBLEFIELD: Please state your name so
9 we can capture you on record.

10 MS. BENEDICT: My name is Vayle Hope Benedict.
11 My company's name is Benedict Enterprises. It is 100
12 percent women-owned and service-disabled veteran-owned,
13 thank you. Kingdomware, I want to say that I echo
14 almost everything you had to say. I would always
15 choose my SDVOB status over any other -- oh, HUBZone
16 also -- over any other status. And I would qualify for
17 8(a) if I chose to apply, but I choose not to.

18 So I just want to echo what you had to say on
19 that regard, and I'm also here representing the
20 Arkansas Chapter of Elite SDVOSB. I'm the president of
21 the Arkansas Chapter. I just want to put my place in
22 the notes that I listened to the whole event. That's
23 all. Thank you.

24 MR. STUBBLEFIELD: Okay, thank you. Thank you
25 for your comments. We've captured them for the record.

1 Anyone else on the call for the public comment
2 period?

3 (No response.)

4 MR. STUBBLEFIELD: Okay, if not, the public
5 comment is closed. I think we're right on schedule
6 again, 11:45, until -- okay, until 1:00. And then
7 speaking of 8(a), that's what we're going to talk
8 about, 8(a), at 1:00. All right. Time for lunch.
9 We're off the record. Thank you.

10 (Luncheon recess.)

11 MR. STUBBLEFIELD: Okay, for those of us in
12 the room, we're going to go back on the record. I know
13 we're running a couple of minutes behind. We were
14 waiting for Lynn to come back. He'll join us shortly.

15 And so with this, with that rather, I want to
16 turn it over to our friends from the SBA 8(a) Business
17 Development Program. Ms. Sandra Barrett is going to be
18 our -- I guess our chief briefer, and she's accompanied
19 by Ms. Gurley. So thank you both for being here, and
20 tell us about the 8(a) program.

21 MS. BARRETT: Okay. Before I start, I want to
22 say that I have a cough, but I'm not contagious, so if
23 anything, I'll stop and just take a drink of water. I
24 just wanted to put that out first before I start.

25 Thank you for having us here today. I'm just

1 going to give a brief overview of the presentation for
2 the 8(a) program. So normally we meet people and
3 normally ask the question, I may be eligible, but are
4 you really ready? A lot of potential companies don't
5 know too much about the 8(a) program, so when we go out
6 and do outreach, we have different presentations to
7 kind of tailor to the masses. And have -- I normally
8 do not like to do a long presentation. I like to get
9 to the point and give you the brief items of what you
10 need to know and for you to make a determination
11 whether this program is good for you or not. So that's
12 what I'm going to present today.

13 Just to overview, the first page talks about
14 the law, the statute, when the 8(a) program was created
15 back in 1978. Before it was -- before it became the
16 8(a) program, it used to be called Minority Business
17 Enterprise Contracting Program, then they merged the
18 name -- the two names together and it became 8(a)
19 Program. The second bullet is just the SBA regulations
20 that govern. It's 13 CFR, and that's basically our
21 bible, which we abide to. The last one is just the FAR
22 where we handle when it comes to contracting. So this
23 is just brief information that you can keep if you ever
24 need it one day.

25 So what's the purpose of the 8(a) program?

1 And basically these are the three bullets that Congress
2 stated, saying to promote small businesses -- business
3 development to socially and economically disadvantaged
4 individuals; to give you a competitive edge among the
5 other small businesses out there; and to expand the
6 program for procurement within the United States. So
7 these are the three missions basically of the overview
8 of the 8(a) program.

9 What are the benefits, the benefits the 8(a)
10 program can give? Management and technical expertise,
11 talking about counseling, the 7(j), talking about
12 financing, management, and identifying business
13 development opportunities. You get sole-source
14 contracts. Well, let me go back, not to say you get a
15 sole-source contract; you have to compete for sole-
16 source contracts. We're not giving away contracts.

17 And we also have the joint ventures and
18 mentor-protégé program. The best thing about the 8(a)
19 program is that you have what is called business
20 opportunity specialists, and that person is the one
21 that's there with you from the beginning of the program
22 until you complete the nine-year program. All the
23 other programs do not have a specialist that guides you
24 with along the way. So that's one of the beauty of the
25 8(a) program where you have somebody to hold your hand

1 for the nine years.

2 Continuing to the goals and requirements of
3 the program, we like for firms to graduate
4 successfully, and we wonder where successfully --
5 everybody has a different determination of what success
6 means to them. But when we look at success, we're
7 comparing about are you balancing your commercial and
8 government contracts, your portfolio; sole source; are
9 you limiting your total dollars of values that you're
10 getting with contracts.

11 And the reason we ask that is because while
12 you're in the program, the first four years, you're
13 able to get a freefall of sole source, as many as you
14 want. When you get to the fifth year, you're supposed
15 to start looking for competitive contracts, meaning
16 that's telling us that you're not just getting sole-
17 source anymore while you're in the 8(a) program; you're
18 able to compete amongst the other small businesses out
19 there, because, why, you're no longer able to get 8(a)
20 contracts. We want to make sure that you can compete
21 with the big companies out there and still be able to
22 succeed in the business world.

23 Complete your annual reviews. That's one of
24 the main requirements, compliance. You have to stay in
25 compliance because it's a federally funded program.

1 You can't owe the IRS and get federal contracts. So we
2 make sure that you're in compliance by all the
3 regulations according to Congress, statute, and our
4 regulations to maintaining and that we're keeping
5 eligible firms in the program.

6 Develop your business plan. That's your
7 roadmap. We tend -- we look at your business plan
8 every year. We consult with you, we meet with you. We
9 just want to know exactly where you are and where
10 you're going, what ideas are coming down the pipeline,
11 if you want to switch from one industry to another. We
12 just want to make sure that you are on track, and if
13 there's anything that you need based on what industry
14 you want to move into, we're there to assist you.

15 Continue to meet the eligibility requirements,
16 basically staying within paying your federal debt,
17 making sure that you're not arrested, making sure that
18 you're not suspended, or just finding anything and
19 staying within the thresholds of the eligibility
20 requirement where you have to stay under the \$750,000
21 to remain in the program and under \$6 million for total
22 asset. So that's what we look for when you are in the
23 program. Those are your goals for you to become an
24 8(a) participant.

25 Brief history of the program is combined into

1 -- it's basically divided into two stages. As I
2 mentioned, the first four years, development stages,
3 and then the next five years, the transitional stages.
4 These two differ because the first four years, like I
5 mentioned, you can get as many sole-source as you want;
6 you're basically learning; and you get all the
7 assistance.

8 And there's certain -- certain goodies, I say,
9 I wanted to throw in there that can happen while you're
10 in the first four years as well. Like, for instance,
11 let's say that DOD can restrict contracts that says I
12 want to put out these 8(a) contracts, specifically for
13 firms that are within the first four years. If you're
14 in your second year, whoo, you can get contracts that
15 fall under there. So there's perks that comes through
16 the years.

17 The last five years, we're looking at more
18 that you are reaching out to contracting officers,
19 you're extending yourself, and you're a little bit more
20 advanced than when you were when you came into the
21 first four years. So this is how the years are divided
22 into the first four, and it's a nine-year program.

23 Okay, and I think this is where you all kind
24 of want to get into very much as I gave a little brief
25 overview. So here are the eligibility requirements.

1 They're only in order based on the regulations, but the
2 first question we will ask is are you a citizen. It
3 says yes, check the box. We're going to forget size
4 because we're not looking at size right now because we
5 have to know are you socially disadvantaged. Yes,
6 okay, I can move to the next one.

7 Are you economically disadvantaged? Yes.
8 Then, after that, I can go look at size, ownership,
9 control, potential, and good character. If you do not
10 fit under those three, then, you're not eligible for
11 the 8(a) program, but I'm going to go into details as
12 to what happens if you do not fit under U.S. citizen,
13 socially disadvantaged, or economic disadvantage.

14 So where do we look for -- basically you
15 submitting U.S. passport or naturalized citizenship
16 that you're asking and that you have to submit to us.
17 My other slides are very basic and generic, just step
18 up just information that you may need.

19 Size. We look at your size of the industry
20 that you're looking at to making sure that you are
21 still considered to be a small business. This is a
22 small business program.

23 Affiliation. We look at the difference as far
24 as if you are also working with other companies, if --
25 how many contracts you have had, and we can ask

1 sometimes to do formal size determinations with small
2 businesses. It's not done all the time, but if you're
3 not sure exactly what size you are, we could ask the
4 SBA to do that for you.

5 Socially disadvantaged. The program says
6 there are presumed groups that are considered to be
7 socially disadvantaged, and this is where you will fall
8 under. There's a listing in the regulations in here
9 exactly to tell you which are these groups. And the
10 groups go from Black American, we go back to Asian
11 Pacific. It's a little broad. It has different --
12 there are the different countries. Hispanic American;
13 Native American; and Subcontinental Asian American as
14 well.

15 If you do not fall under the presumed group,
16 we have what is called preponderance, and preponderance
17 here, you have to show evidence of how you suffer with
18 the United States, how were you not able to compete as
19 a small business. How did it hinder you from moving
20 forward? And that's what preponderance is, were you
21 discriminated based on being a female because you
22 couldn't do construction. So we look at -- so you will
23 have to write a narrative exactly to the SBA how did it
24 affect you from growing, how did it affect you from
25 thriving, being a small business in this economy. So

1 that's what basically preponderance is.

2 This just goes into another detail of just
3 what preponderance is. Here's just a type of evidence
4 for preponderance that I actually put in here in the
5 case of where -- and what we're actually looking for in
6 considering the type of experience you have had. Like
7 it says education, employment, a brief history,
8 evidence showing of all the three areas exactly how it
9 prevented you from entering this as -- oh, and
10 advancing in the business world.

11 So the next one, we'll say, okay, U.S.
12 citizen, I fall under the presumed groups, or I think I
13 may be under preponderance. The next one is economic
14 disadvantage. And when we look at economic
15 disadvantage, before you come into the program, your
16 net worth is supposed to be under \$250,000. The total
17 asset is under \$4 million. And then your average
18 growth income is supposed to be under \$250,000. You
19 would submit all the information to SBA, and we do our
20 calculation to say exactly if you fall under the
21 threshold.

22 And then if you fit under those three, we
23 start looking deeper into the application to say, okay,
24 ownership. Do you own the company 51 percent? Are you
25 unconditionally, directly owning the company? And we

1 look at that. We look at documentation as far as from
2 the state that -- excuse me -- that you will have that
3 would say articles of incorporation, bylaws, that you
4 are the one managing the company, you are the 51
5 percent owner. We have seen where they have two
6 individual -- two individuals that will comprise of the
7 51 percent, as long as they both meet the U.S. citizen
8 and fall into that presumed group, yes, you can do
9 that. I've seen three, also. And this just goes and
10 explain as far as how the partnerships are done and how
11 you're considered to be at 51 percent.

12 Control. We want to know about control. Are
13 you the highest paid in the company? Are you devoting
14 full-time? Are you located within the United States?
15 You cannot be located anywhere else. Are you the
16 highest paid compensation? Can you make all the final
17 decisions, or is there someone else in your company
18 that's making that decision for you?

19 If we see any documentation that says that,
20 then we're going to deem you and say you're not
21 controlling your company. Someone else under you is
22 making those important decisions that you are not.

23 Potential for success. So when we look at
24 potential for success, another key indicator is if you
25 are a citizen, socially and economically disadvantaged,

1 you own and control your company. The next one we look
2 at your potential for success. Have you been in
3 business for two years? If you've been in business for
4 two years, we'll look at your financial statements.
5 We'll look at are you able to get access to capital.
6 It sounds weird because people are saying, well, I'm a
7 small business, I don't have any money. Would I really
8 have access to capital? Yes or no? So we look at if
9 you have line of credit. We look at are you making a
10 profit when it comes down to your financial statements.
11 We look to see what kind of resources, do you have
12 equipment. Do you have the management and technical
13 expertise to run that company?

14 I have a change of ownership now and I like to
15 share stories where the disadvantaged individual passed
16 away; the company found another young lady to run the
17 company. She knows nothing about construction. She
18 knows more about lending but nothing about
19 construction. So my question is can she manage a
20 construction firm. And that's what I have to look and
21 evaluate and say is she able to manage a construction
22 firm that's making over \$20 million, or are the two
23 that are nondisadvantaged the one running the company.

24 So that would be an issue, would be an issue
25 of control where the IG will come back to me and say

1 you have a nondisadvantaged individual running the
2 company. And that's normally what happen, they end up
3 taking the company away from the disadvantaged
4 individual. So just a quick little experience to kind
5 of throw out there of what we look at every day.

6 Yes?

7 MR. STUBBLEFIELD: You said IG?

8 MS. BARRETT: Yes. Qualifications, we look at
9 contracting, if you've had any. So normally we look at
10 -- is we ask you for a listing of contracts that you
11 have performed. And they can be government as well as
12 commercial. We just want to make sure that you are
13 operating in the industry that you're telling us, and
14 we don't really measure how successful we're going to
15 be; we just want to make sure that you are getting
16 contracts, and also, in our regulations, it says that
17 we want to make sure that government is procuring the
18 services that you are bringing to us.

19 We do not want to let a firm that says I'm
20 building a spaceship or a rocket and we're not
21 procuring 8(a) contracts for spaceships. And so the
22 first thing we're going to get is, well, SBA, you let
23 me into the program; I'm not getting any sole-source.
24 And the first thing I'm going to say, well, did you do
25 research? The Government is not procuring for that.

1 So you're going to have to step out there and
2 look at the other programs and see if they are, but if
3 it's not 8(a), the question is are you in the 8(a)
4 program just to get the assistance or are you here just
5 to get sole-source, where the Government is not
6 procuring in that area. So we have those one-on-one
7 questions kind of consultations with the firm before
8 they come in. We also ask those questions before.

9 If you don't have the two-year experience
10 running a business, we have what is called a two-year
11 waiver. You have to -- if it's a two-year waiver,
12 there are five questions that we ask, and these five
13 questions actually go back to potential for success.
14 If you've only been in business for a month, it's hard
15 for us to see even any -- you wouldn't have any
16 financial statements really before a year. You would
17 probably have it for a month. But we try to see a
18 trend, but can we really see a trend for a month? And,
19 no, it's hard to see a trend.

20 We look at can you demonstrate technical
21 expertise, like you can't say that I used to be a chef
22 but now I'm doing IT. If you had the 15 years of being
23 a chef, now do you think you can be IT? Probably not.
24 We're going to say, oh, I think you're a great chef.
25 You may need to stay in that line of industry because

1 that's what you do well.

2 We look at successful records of contracts
3 that you have already performed. You would submit to
4 us anything that you have done from a church, from
5 neighbors, or anything as far to tell us how you are
6 performing on these contracts. So basically you have
7 to demonstrate that if you get a contract are you able
8 to get a line of credit, are you able to say to SBA,
9 you know what, I can get three or four boxes of chairs
10 tomorrow if I get awarded a contract.

11 And that's the thing. And we ask those
12 questions because -- and Sharon can contest to this --
13 when we do approve contracts on your behalf, what
14 happens is if you cannot perform on those contracts,
15 you get terminated. And the worst thing is for a small
16 business to get terminated from a contract. That's
17 your report card. When federal agencies see that
18 report card, why would I want to award another contract
19 to you? Now, they say one bad 8(a) is -- it's probably
20 all of them are bad, but that's not true.

21 So we try to do our due diligence in the front
22 head of helping you to make sure you get to that level.
23 A lot of people think that we're doing them a
24 disservice, but I don't think that. I think our job is
25 to prepare you and to have you come into the program

1 when you're ready and not come into the program when
2 you're not because there's firms -- if you wasted five
3 years, it's hard to get those five years back.

4 And, surprisingly, guess what we get all the
5 time. Can you extend my 8(a) application? Can you
6 extend my 8(a) participant? I just learned what I need
7 to learn, or if I knew to wait two years, three years,
8 I wouldn't have lost five years of what I know now. So
9 that's potential for success, and that's the two-year
10 waiver if you haven't been in business for two years.

11 The next slide is ineligible business and
12 disqualifications. You can't be a broker. A broker
13 cannot participate in the program. You cannot be
14 debarred or suspended, because, again, like I said,
15 it's a federally mandated program. Nonprofit
16 organizations cannot be part of the program.
17 Franchises, we do have a few of them, but it depends.
18 They have to be approved by SBA.

19 If you've used your eligibility once, I'd say
20 it like The Washington Post, if you don't get it, you
21 don't get it. You only use it once, and that's it.

22 Anybody that has had family members or anybody
23 else has been in the program. So this is just a slide
24 to tell you a little bit more -- or the ones that
25 automatically are a no, that cannot come into the

1 program.

2 Good character. So good characters come,
3 Larry, with the IG as far as we look at any adverse
4 action in the past: have you been arrested, why were
5 you arrested. So all this information has to be
6 submitted to SBA, any violation with SBA or any other
7 agencies, being debarred.

8 Lack of business judgment. We have seen a lot
9 of applications where firms were -- were not in the
10 program, would give us false information. They will
11 come back and resubmit another application and change
12 the whole story, but we will catch those before they
13 come into the program. Incarcerated, parole, so these
14 are the things that we look at when it comes to good
15 character.

16 And that's it. I mentioned I had a brief
17 presentation of just the overview of the 8(a) program.
18 Any questions on any of the slides? We are here to
19 answer.

20 MR. SHARPE: Yes. How many veterans do you
21 have in your program?

22 MS. GURLEY: We don't categorize it by
23 veterans. This is a disadvantaged program, so as long
24 as you're socio- and economic-disadvantaged, we break
25 it out by gender and the type of firm, so if it's a

1 Native American or one of the presumed groups. We
2 don't categorize it under veterans.

3 MR. SHARPE: Okay. That's an issue for us.
4 Also, do you also track their success rates once they
5 leave the program, once they graduate?

6 MS. GURLEY: Yes. We do track their -- find
7 out whether firms that have left the program for the
8 next three years after they leave the program. And the
9 success rate is pretty high.

10 MR. SHARPE: What is it?

11 MS. GURLEY: Well, I didn't break it down, but
12 like for Fiscal Year 17 data, 1,874 firms left the
13 program, between Fiscal Year 14, 15, and 16. And of
14 those firms 126 are no longer in existence; the
15 remaining are.

16 MR. SHARPE: 126 dropped out of the program?

17 MS. GURLEY: Nope, no. Not the program. They
18 already left the program.

19 MR. SHARPE: Oh, oh, that graduated.

20 MS. GURLEY: It's assessed after they leave
21 the program.

22 MR. SHARPE: Yeah, okay. And do you have a
23 total of the amount of money that they might have
24 received as far as contracting?

25 MS. GURLEY: Mm-hmm.

1 MR. SHARPE: What is it, 4 or 5 billion or
2 something like that?

3 MS. GURLEY: Yep, yep, yep. I thought that
4 would be one of the questions asked. So based on
5 Fiscal Year 18 data, because Fiscal Year 19 data has
6 not been released yet, but using that, for our 8(a)
7 firms it was 17 billion; for veteran-owned small
8 businesses, it was 27 billion; and for service-disabled
9 vets, it was 20 billion.

10 MR. SHARPE: So as far as categorizing
11 veterans, as far as them winning contracts, you keep
12 that data, but as far as percentages, you -- the
13 numbers that are actually in the program you don't have
14 that?

15 MS. GURLEY: Right, it's not a presumed group.

16 MR. SHARPE: Okay.

17 MS. GURLEY: The 8(a) program that Sandra
18 indicated earlier is for presumed groups, and you can
19 come in under preponderance of the evidence. That's
20 also a category you won't capture because that's not a
21 slated presumed group. But -- so we just keep data on
22 the presumed groups. But are they veterans in the
23 program? Yes, they are.

24 MR. PHIPPS: This is Mike Phipps. We would
25 like to ask you guys if you could come back with at

1 least the public information of how many veterans are
2 in the 8(a) program. You guys could probably look in
3 Sam, all the cross-categories of 8(a)s with veterans.
4 We really would like to know, because this is a big
5 issue with us, and the veteran programs that are out
6 there, and is this something that -- since this is an
7 SBA program, is this something that the SBA could
8 influence to have that as a question in the application
9 so we can -- I mean, it's a program that's in -- you
10 know, that we have -- you guys have some control over,
11 can we get that data?

12 MS. PEREZ-WILHITE: It might already be in the
13 application. They just might not keep track of it,
14 right?

15 MS. GURLEY: It's not in the application --

16 MR. PHIPPS: Is it wrong to ask?

17 MS. BARRETT: Right, so we -- the information
18 is basically in our system, the Small Business Dynamic
19 Service -- Dynamic Small Business Search --

20 MR. PHIPPS: Yeah.

21 MS. BARRETT: -- where it's public information
22 that you can find in there, click on 8(a) and find
23 service-disabled vet. Maybe you may be able to find
24 it, but it's not in the application. We don't ask that
25 question, whether you're a vet. As Sharon was saying,

1 we ask if you're under the presumed group, and that's
2 it.

3 MR. PHIPPS: Is that a legal issue?

4 MS. GURLEY: Yes, I would think that may be a
5 legal issue, only because you're -- one thing about the
6 Government, you're only supposed to ask questions
7 pertaining to your program, and relevant that you're
8 going to use for something else. That is not part of
9 our program under that kind of category, but as I said,
10 are veterans in our program, certainly they are.

11 MR. SHARPE: Do you keep tabs on the regions
12 these individuals come from?

13 MS. GURLEY: Yes, we do.

14 MR. SHARPE: What are they?

15 MS. GURLEY: It would be by the state in which
16 their business is located.

17 MR. SHARPE: Well, like --

18 MS. GURLEY: So we have, like, breakout --

19 MR. SHARPE: Uh-huh.

20 MS. GURLEY: We have a breakout in our 408
21 report to Congress that actually lists all the firms by
22 their dollars that they obtained during that year.
23 That's one of our charts. And it will also break it
24 out by state.

25 MR. SHARPE: Okay. Do you look at urban areas

1 versus rural?

2 MS. GURLEY: No, we do not.

3 MR. PHIPPS: This is Mike Phipps. When you
4 had mentioned 27 billion went to veteran-owned, and
5 then 20 billion went to service-disabled veteran-owned,
6 does that mean 47 billion went to veteran-owned
7 companies total, or is that the 20 billion out of that
8 27 billion?

9 MS. GURLEY: Yes. When you look in FPDS,
10 that's the federal procurement data, that information
11 actually kind of go across different lines. So I am
12 sure that they're all encompassed. So some of the
13 service-disabled will be rolled over to the veteran
14 side. And some of the veteran and service-disabled may
15 be also captured in the 8(a) document because they're
16 going to take -- FPDS lists the social characteristics
17 of a firm, so when -- so a contract is awarded, that
18 firm could be an 8(a) firm, women-owned firm, veteran
19 firm, disabled veteran --

20 MR. PHIPPS: Right, right.

21 MS. GURLEY: You see what I'm saying, because
22 it can go across all the lines.

23 MR. PHIPPS: So we've had this issue on the
24 committee where these numbers, the way that they're
25 reported, sounds much bigger than it actually is. So

1 it's 27 billion was awarded to veteran-owned companies;
2 out of that 27 billion, 20 were service-disabled.
3 There's a huge -- the way that you talk about it has a
4 huge influence on the way people perceive how much
5 money is going to veteran-owned or service-disabled
6 veteran-owned companies. It's not 47 billion, but when
7 you hear it explained, it sounds like that.

8 So one of the things that we would like to see
9 is if -- what would really help us, because this does
10 apply to this committee because there's veterans that
11 are affected, do we have every socio- and economic
12 class in the veteran space, because we'd like to see
13 what metrics you're tracking so we can use that to just
14 inform ourselves, like, okay, this is your program,
15 these are the metrics you're tracking, because when we
16 have, like, access to capital for example, when they
17 come in, they have all of the metrics that they track,
18 and it gives us a very good idea of what questions to
19 ask or, you know, it just gives us very good indicators
20 on where we could, like, point this committee.

21 MS. GURLEY: Okay. There's another part of
22 our office that actually performs and communicate with
23 GSA, because the FPDS is a GSA tool, not a SBA tool, so
24 we can certainly find out information on how that is
25 explained for you, but it's not part of our program,

1 but we can certainly do an outreach for you and try to
2 collect that information. But it's a GSA tool.

3 MR. PHIPPS: Well, so, the metrics I'm kind of
4 getting at are the metrics that are specific to what
5 you guys do and the metrics that you track as part of
6 the program, just like -- because the OVBD has Boots to
7 Business, and then they have all these programs, and
8 one of the things that we did, like, three, four years
9 ago was we said, okay, this is a new program, but let's
10 get metrics in there so we can track things that are
11 specific -- some of that is in FPDS, but some of it is
12 program-specific, so we would just like to know what --
13 because that kind of goes to what Joe was saying, what
14 are the metrics that you guys do internally to the 8(a)
15 program that is just separate from the data that's
16 collected.

17 MS. GURLEY: Okay, that would be our 408
18 report. That's the only metric that we --

19 MR. PHIPPS: The 4A?

20 MS. GURLEY: It's the report called 408
21 report --

22 MR. PHIPPS: 408.

23 MS. GURLEY: -- to Congress, and it's
24 basically the health and wealth of the program, and
25 that is -- tracks -- it tracks, but, again, it won't

1 show you veterans because that's not what we do --

2 MR. PHIPPS: Right. No, I know.

3 MS. GURLEY: But it will show you the number
4 of gender, and it will show you the type of the
5 presumed groups by percentage in there, and it will
6 tell you how many participants we have, how many firms
7 left the program, and whether they're still active,
8 that kind of information.

9 MR. PHIPPS: Right. And from our --

10 MR. SHARPE: Can we get a copy of that?

11 MS. GURLEY: I'm sorry?

12 MR. SHARPE: Can we get a copy of that?

13 MS. GURLEY: Yes, it's public. Yes.

14 MR. SHARPE: Okay, it's public?

15 MS. PEREZ-WILHITE: Do we just Google 408? We
16 just Google 408? This is Fran Perez-Wilhite. We just
17 Google 408 report?

18 Do we just Google 408 report and find that?

19 MS. GURLEY: Yeah, you can Google 408 report.
20 Years 17 and 19 are not on our website, but I can
21 certainly furnish it to Larry, and he can send it to
22 you all.

23 MS. GARCIA: I just wanted to mention, too --
24 this is Amy Garcia with OVBD -- the FPDS reports are
25 public, also. So you can go to the site and pull the

1 reports, and it has the methodology about what's
2 included in the numbers, so that's also publicly
3 available.

4 MS. PEREZ-WILHITE: Are you talking -- are you
5 speaking, Amy, about FPDS?

6 MS. GARCIA: Yes.

7 MS. PEREZ-WILHITE: Yeah, until it changes
8 over pretty soon, then we won't be able to use it,
9 probably.

10 MR. PHIPPS: So over the years, have you --
11 the veteran issue aside, what we're -- what we actually
12 -- one of the things that we like to evaluate, because
13 you guys have very good metrics and very good goals
14 that are in your program that kind of go to all small
15 businesses, and we often borrow some of those metrics.
16 Do these things that you're targeting -- or is all of
17 that legislative, or do you guys have some leeway when
18 you make some of these really good goals of what the
19 program is going to accomplish?

20 MS. GURLEY: Yes, there's always -- yes, we
21 don't have control. We're told what the goals are for
22 all Federal Government, and we have to either meet that
23 or exceed it.

24 MR. PHIPPS: Now, I'm just going to go on the
25 record and beat the drum again. This is the reason why

1 veterans need their own business development program
2 that has legislative language with -- that mirrors --
3 these goals are great. The parameters of this are very
4 similar, right, because I think there's been -- we've
5 been briefed that the CVE and other of those programs
6 kind of mirrored, and they did this whole analysis off
7 the 8(a) program, so I'm just going on the record, the
8 veteran business community at least that the service-
9 disabled veteran-owned needs a program that's very
10 similar to this, including the procurement laws in the
11 FAR, including all of growing commercially.

12 This is why we need a program like this
13 because it's legislative, it's set in stone, and
14 nobody can say this is not going to happen, right? We
15 can't -- the veterans one month -- in a couple of
16 years, who knows what's going to happen to this budget,
17 you know, what's going to happen to this committee.
18 And if this committee goes away, what's left? What did
19 we do? We had a couple good years, but what's going to
20 be for the veterans now that are just being born and
21 they're not even -- haven't even thought about the
22 military yet.

23 So I'll get off my soapbox, but that's
24 something that this committee has addressed in the
25 past, and I know that's a long path, and we talked

1 about it yesterday in the IATF, we'd like to see maybe
2 what we could do for that.

3 MS. PEREZ-WILHITE: Are we the only ones that
4 ever ask about veterans in the 8(a) program? Is there
5 a mindset that even thinks about veterans with this, or
6 are we not even considered whenever you're dealing with
7 8(a)?

8 MS. GURLEY: Again, it's not a presumed group,
9 so we don't track that information --

10 MS. PEREZ-WILHITE: But when you're dealing
11 with anyone, especially with the public or going to
12 meetings like you are today, does anyone ever even
13 think about veterans in the 8(a) program, or it's just
14 not even on the radar of anyone?

15 MS. GURLEY: Well, I'll tell you, I'm a
16 contracts person by experience years and years ago, so
17 the big whammy is to get -- if you're a contracting
18 officer, and we do do outreach to agencies, the big
19 whammy is to get every category you can in that one
20 award. So if you say you're 8(a) and women-owned and
21 service-disabled vet, I mean, you got all the whammies
22 because you're going to check that box off, cross that
23 line.

24 So, certainly, it's discussed. It's just not
25 part of the regulatory control of the program. But,

1 certainly, we encourage all our contracting agencies to
2 use all of its -- of all types of businesses, certainly
3 small, because that is what we are here for.

4 MS. PEREZ-WILHITE: So when you're making your
5 408 report to Congress, does Congress -- any elected
6 officials ever ask about veterans in the 8(a) program?

7 MS. GURLEY: I'm not -- I can't say that they
8 never ask about it, but it's not -- when you look at
9 the 408 report, it has a summary of what you have to
10 report to. And it's not -- and veterans is not in
11 that.

12 MS. BARRETT: But I do want to chime in to
13 that, also working -- also being a business opportunity
14 specialist, when I actually had a portfolio that, yes,
15 we would get requests from the Administrator saying can
16 I have a female that's veteran-owned, that's a HUBZone,
17 that's an 8(a). And we will kind of give a lot of
18 names. Oh, and then she's 60 years old as well. So we
19 have those kind of criteria -- and I also did part of
20 the trans -- I may forget the name of it. The
21 Transition Assistance Program, where you come back --
22 TAP. I was also responsible for that when I was in a
23 district office. So there is some caring there, yes,
24 but like Sharon was saying, so the district office do
25 go out and make sure that we are presenting with the

1 different services that SBA has for veteran-owned
2 companies or -- for veteran-owned companies.

3 MR. SHARPE: Joe Sharpe, the American Legion.
4 Going back to eligibility, I know when you talk about
5 various groups, okay, and especially with veterans that
6 are living in rural areas that don't have access to
7 internet or broadband or a lot of the healthcare
8 services, they're kind of isolated from the rest of the
9 community. Would they be considered a disadvantaged
10 group that's eligible for the program?

11 MS. BARRETT: No.

12 MS. GURLEY: They can certainly write a
13 preponderance of the evidence. See, so let's go back a
14 little bit, right? So say there is a service-disabled
15 vet that wants to come into -- that applied to the 8(a)
16 program. Just because they're not a presumed group
17 doesn't mean they can't get in the program right? So
18 all they do is do a preponderance of the evidence and
19 indicate I am a service-disabled vet; I have been
20 disadvantaged; I have this and this and this.

21 MR. SHARPE: Right.

22 MS. GURLEY: And they're accepted. They're
23 accepted in the program.

24 MR. SHARPE: Okay.

25 MS. GURLEY: It's just not a category that's

1 in that presumed group. The way the authorization of
2 the program is written, there's presumed groups and
3 then a preponderance. Preponderance is that
4 flexibility that the program has, and we deal with
5 these type of issues for veterans and other -- other
6 individuals. It could just be a disabled person. It's
7 that other group that's special that need -- that's
8 been underrepresented and that needs the benefit of the
9 program. They can, indeed, apply. And they get in.

10 MR. SHARPE: Mm-hmm. Because it would seem
11 like again when I was asking various regions, if you're
12 from an opportunity zone region, especially in some of
13 the southern states, the Appalachia, it seem like those
14 individuals, especially if you're a veteran that's been
15 deployed year after year and you're wounded, it seems
16 like they would be designated as a person that you
17 would want in the program.

18 MS. GURLEY: It wouldn't be that we don't want
19 them in the program. They just have to apply under
20 preponderance.

21 MR. SHARPE: Okay.

22 MS. GURLEY: But you've got to also remember,
23 now, we also have HUBZone program.

24 MR. SHARPE: Mm-hmm.

25 MS. GURLEY: That's -- that's tailored for

1 that special group as well.

2 MR. SHARPE: Mm-hmm.

3 MR. FINCH: That's hard to get.

4 MS. GURLEY: The HUBZone?

5 MR. FINCH: HUBZone is hard to get. I've
6 tried it three times.

7 MR. SHARPE: I just think that a lot of
8 veterans, when they look at 8(a), they just feel like,
9 okay, this is a program that's not for me because of
10 the categories that you've mentioned, and there's no
11 mention of those that live in these particular remote
12 areas that have been on active duty for years and years
13 and years and they come back to those same areas and
14 aren't able to -- you know, they don't have access to
15 capital, they don't have access to the services, they
16 don't have access to internet services and that type of
17 thing, broadband, and there should be a special
18 category for those individuals.

19 MR. STUBBLEFIELD: You know, Joe, I think this
20 is one where as a committee we're going to have to take
21 this as is and come up with a plan on, you know, to be,
22 to include the annual report, the number of times the
23 American Legion, you know, is on the Hill, because our
24 team here, our 8(a) team, they're -- it's what it is
25 right now. I've learned a lot just listening at the

1 presentation. I'm pretty sure everybody here has as
2 well. And this is something where it sounds like to me
3 we're going to need maybe statutory help, if we wanted
4 to make this part of the 408 report, you know, and
5 things of that nature.

6 MS. PEREZ-WILHITE: Until we get that
7 statutory help, can we go out and market this to
8 veteran businesses to apply through the preponderance?
9 Would that make sense, to go ahead and market it that
10 way in the meantime?

11 MS. GURLEY: Certainly, that is -- that is the
12 100 percent point here, is that they can get in. And
13 they have gotten in.

14 MR. FINCH: Despite their nationality?

15 MS. GURLEY: Despite their nationality, as
16 long as they have to be a U.S. citizen, though. But
17 preponderance is not under the presumed group. That's
18 the -- that's their exception to the rule, right? Why
19 not use the exception to the rule to get in the program
20 that you desire, because you can get in. We do it all
21 the time.

22 MR. PHIPPS: This is Mike Phipps. So Larry in
23 the past -- we had been discussing here going to
24 Treasury to get veterans identified as an
25 underrepresented group. If the Department of Treasury

1 identified veterans or service-disabled veterans as an
2 underrepresented population, would that then change --
3 would that automatically put them in a category for the
4 8(a) program, or would it still have to be
5 preponderance?

6 MS. GURLEY: It would still have to be
7 legislative, first of all, but so preponderance is a
8 way to get in there now without going through
9 legislation.

10 MR. FINCH: But you're disabled. It's a
11 service-disabled, so you're a disability.

12 MS. GURLEY: Yes, and this is --

13 MR. FINCH: It really is one of the causes.

14 MS. GURLEY: Yes.

15 MR. FINCH: So why would you not be listed as
16 an 8(a) as a vet?

17 THE REPORTER: I can't hear those comments. I
18 need you to come to a microphone.

19 MR. STUBBLEFIELD: I was just going to say,
20 we're going to have to keep this right now strictly
21 with the committee because, you know, it's a committee
22 meeting. There will be -- you could pass us maybe a
23 little note or something like that.

24 So, anyway, Joe, I know you were getting ready
25 to say something. I'm sorry, I thought I had cut you

1 off maybe.

2 MR. SHARPE: Well, I was going to ask about
3 the 7(j) program. Can you talk about that a little
4 bit?

5 MS. GURLEY: Okay, you want to? Okay. I'll
6 take it.

7 Sharon Gurley. Okay, so the 7(j) program is a
8 program that's part of the Office of Business
9 Development, and that's where the 8(a) program resides,
10 but they actually get their funding from Congress. So
11 they're separately funded to help the underdeserved --
12 underserved people. So, yes, we give them priority to
13 the 8(a) firms, but if you are -- let's go back, all
14 right?

15 Self-certified, you self-certify as a small
16 business, right? You're self-certified as a socially
17 and economically disadvantaged business, but you don't
18 have to be in the 8(a). You still can self-certify for
19 that. So any category like that, the 7(j) program, you
20 can participate in those programs as well. So you
21 don't have to be only 8(a), but we do give priority to
22 our 8(a) participants. The money's not that much, but
23 it is funded separately, and it's there to give
24 training and to get people ready to do federal
25 contracts, because getting in the program is one thing,

1 being able to participate and use the program is
2 another big piece, right?

3 So you don't want firms to just get in the
4 program and can't use the program. It's not a badge of
5 honor that you're just wasting your time and somebody
6 else's. We want you to get in the program, be ready to
7 work with small business, small business specialists in
8 the federal arena, federal contracts, state contracts,
9 because it goes on, because it's -- you don't have to
10 stay in that one space, right? We want you to grow.
11 So when we have an 8(a) firm that comes in the program,
12 they may start out with maybe two, three people, but we
13 want them to be able to grow and grow -- it's not
14 categorized in the federal space only, right?

15 It's growing, and the 7(j) program gives you
16 that stair-step understanding of some basic things that
17 you may not know, like how to submit a proposal or how
18 should I have my financial records set up, right? We
19 do cyber training, but it's not cyber training but it's
20 not cyber training like the big federal DOD cyber
21 training, but what you should have to safeguard your
22 information as a small business.

23 So we're trying to be relevant, trying to help
24 small businesses, and certainly our 8(a) participants,
25 in being able to be ready to do this stuff. So

1 sometimes you can -- I always tell people, walk small,
2 do all the research, participate in all the other
3 programs, and then you'll know when you're ready,
4 because one thing you do when you get in that federal
5 contract space, you got to be able to talk like you
6 know it, right, because you're self-marketing
7 yourselves. And they know when you don't know. So we
8 want you to be engaged and informed before you get in
9 the program so you won't waste that nine years like
10 Sandra referenced earlier.

11 Many firms get in the program because they
12 know the program is there. I talk to people all the
13 time, and I tell them, I don't think you're ready. I
14 say, you know, I can't stop you from applying, but I
15 don't think you're ready because why would you want to
16 use those nine years and trying to chase how to do a
17 proposal. You can do that without being in the
18 program, right? You want to be informed.

19 And the gentleman just the other day, he had
20 called, and he made \$124 revenue, right? We denied
21 him. Well, why did we deny him? We denied him because
22 he does not have the financial capability to do federal
23 contracts. We're actually helping him. He thinks it's
24 a bad thing, but it's really a good thing, right,
25 because we want you to be engaged. Go to our resource

1 partners, SBA is a small agency, right?

2 So the way we expand our resources is using
3 our resource partners. So we ask PTAC, the small
4 business development centers, WOSBs, the veteran
5 centers, to help us help these firms learn what they
6 need to know so they can compete in that federal
7 marketplace and grow, right? So you can grow from
8 three people to 10. You still grew, right? And that's
9 not a bad deal. You know, you have things -- companies
10 that grow real large and are no longer small. So the
11 program has its success, but it's taken the steps one
12 foot in front of the other.

13 MR. SHARPE: Do you also teach financial
14 training?

15 MS. GURLEY: Yes, yes, yes. We used to do
16 one-to-one training, but the money is not -- it's not
17 enough to just zone in one-on-one. So our new approach
18 with 7(j) is one-to-many. So it's the two courses
19 that's going to be beneficial to more than one firm.
20 So that's our new approach.

21 MR. SHARPE: You said the program is financed
22 by Congress.

23 MS. GURLEY: Yeah.

24 MR. SHARPE: What is the budget?

25 MS. GURLEY: Yep, the budget is actually --

1 it's actually budgeted for 7(j). It's a congressional
2 funding.

3 MR. SHARPE: How much?

4 MS. GURLEY: It varies. In the past, it's
5 been 2.9 million. That's not a lot.

6 MR. SHARPE: No.

7 MS. GURLEY: There you go. It's not a lot.

8 MR. SHARPE: What should it be?

9 MS. GURLEY: And -- I don't know what it
10 should be.

11 UNIDENTIFIED MALE: You have an idea.

12 MS. GURLEY: No, I don't. Look, I can talk
13 about a lot of things, but I can't talk about that.

14 MR. PHIPPS: Two million plus is resulting in
15 \$17 billion in contract awards? That's a pretty good
16 return on investment.

17 MS. GURLEY: Yeah.

18 MR. PHIPPS: I don't see why we can't have a
19 very similar program for veterans. What they do is
20 great, that structure is what -- is what needs to be
21 around a veteran-owned business development program
22 because we're not here to beat you guys up. We
23 understand -- a lot of us understand the 8(a) program.
24 I think what that program -- I think what you guys do
25 when driving people to commercial and government

1 contracting is what's needed. There's a finite
2 structure around it, and that's why -- I mean, if it's
3 such a -- what's -- I won't even go -- I won't even
4 keep going, but --

5 MS. PEREZ-WILHITE: Are you saying this
6 veterans 8(a) program should be its own office?

7 MR. PHIPPS: Veterans should have a separate
8 program. We have very separate needs than the rest of
9 the population. There's things that veterans deal
10 with, with -- even with disability that the regular
11 population doesn't deal with. And I know Larry has
12 been working and has probably the first time this has
13 really happened, gone out to Treasury, because the
14 Department of Treasury is who identifies the
15 underserved populations and is constantly making that
16 mantra to say we should become -- the service-disabled
17 should become an underserved part of the population.

18 MS. PEREZ-WILHITE: Would the veteran
19 businesses graduate out of the program?

20 MR. PHIPPS: I think it -- the minute that we
21 get approval by Congress, that will be -- there's a
22 whole 'nother discussion. You know, I think they
23 should, just like the 8(a) program, because we don't
24 want to have veterans that are just, you know,
25 constantly, you know, have that advantage for their

1 whole lives, but it should be a separate program
2 just -- where they're denied, if they're not
3 procurement-ready or they're not ready to go into
4 government contracting. But...

5 Anyway, so we've proposed that and passed
6 reports. The issue is it has to be legislatively done.
7 It has to go through Congress, and there were points in
8 time in history where Congress could have done that and
9 they've left these windows where it could have been
10 done. SBA to a certain extent could drive that, but I
11 think it's a little bit more complicated than the way
12 I'm explaining it, and so that's something that we
13 could address on the committee offline and maybe even
14 directly with the SBA.

15 MS. PEREZ-WILHITE: So in the meantime,
16 though, we could do short-term marketing of the
17 preponderance part of it, and then in the long term, we
18 could do what you and Larry have already been working
19 on and also Joe.

20 MS. GURLEY: And we will welcome that.

21 MR. SHARPE: In the 7(j) program, how often
22 are these companies mentored, because she said it's
23 like a mentorship program where they provide training
24 and that type of stuff. How often --

25 MS. GURLEY: It's not a mentor -- it's a

1 training platform, right?

2 MR. SHARPE: Yeah, how often --

3 MS. GURLEY: So when they deem that they need
4 the information, so we try to put the information out
5 to --

6 MR. SHARPE: Right.

7 MS. GURLEY: -- we have 50 district -- 54
8 district offices, so when we make those contract awards
9 to firms to do the training, we send that information
10 out to our district offices, so they can -- that
11 they're -- when they go out to the public to tell them
12 about it as well.

13 MR. SHARPE: Okay. Hmm.

14 Yes, how do you monitor the program for -- to
15 see how effective it is, the 8(a) program as a whole?

16 MS. GURLEY: Right now, we kind of use the 408
17 report, but we actually monitor it ourselves as well.
18 For example, one of our priority goals for -- it was
19 17, 18 -- was to make sure that firms -- because not
20 all firms are not portfolio. Right now, our current
21 portfolio is around 4,400, something like that. So not
22 all the firms get in the -- get contracts.

23 MR. SHARPE: Right.

24 MS. GURLEY: So what we would -- we're doing
25 is, like, trying to find out how we can help those

1 firms get federal contracts. So we monitor that to try
2 to see the success rate because once you have that
3 opportunity to get a contract, I think it helps you
4 want more, right? So we don't mentor them, but we do
5 try to monitor them.

6 MR. SHARPE: Well, what about those companies
7 that aren't interested in federal contracts and they
8 just want to be ready to be able to compete on the
9 commercial side?

10 MS. GURLEY: Then I don't think the 8(a)
11 program is for them.

12 MR. SHARPE: So the 8(a) program's primarily
13 for companies that want to do business with the
14 Government?

15 MS. GURLEY: Yes.

16 MR. SHARPE: Okay. So it doesn't sound like
17 it's a real business development program, then.

18 MS. GURLEY: No, it's a business development
19 -- what we're saying is there's federal contracts, but
20 they can take that experience that they got from having
21 a federal contract and do it commercially, state,
22 right? So it's a growth. So if you learn how to play
23 in this playground, you can play in that playground,
24 which is a larger playground, so it is a business
25 development, because it's trying to get firms that are

1 socially and economically disadvantaged, right?

2 MR. SHARPE: Mm-hmm.

3 MS. GURLEY: So it's a set pool. It's not all
4 small businesses, socially and economically
5 disadvantaged. So we're trying to help those firms
6 because we feel that they were underrepresented, right?
7 So we're trying to help them inch by inch to grow. So
8 it's not to concentrate on commercial, per se. They
9 can get in the program and do that, but they don't need
10 the 8(a) program to do so.

11 MR. SHARPE: So if they depended on federal
12 contracts and they leave and lose their contract, don't
13 many of them fail?

14 MS. GURLEY: No, because that's why you want
15 to grow. See, so that's what I'm saying. So if I had
16 a contract to clean this room --

17 MR. SHARPE: Right.

18 MS. GURLEY: -- right, as a janitorial
19 service, right, then -- and I do that well, I get past
20 performance, I can go to a commercial site and say,
21 hey, I can do your whole building.

22 MR. SHARPE: Okay.

23 MS. GURLEY: That's the growth.

24 MR. SHARPE: Okay. Okay, I understand.

25 MR. STUBBLEFIELD: Okay, I was just going to

1 say in the interest of time, too, I think one of the
2 things that Joe was kind of alluding to when we talk
3 about the annual reviews, and I think the business
4 opportunity specialists are involved in that, so I
5 think that was a part that he wanted you to touch on,
6 too. How are the annual reviews? How does that
7 process work? Do we have enough resources dedicated to
8 do those and so forth?

9 MS. BARRETT: Well, like Sharon was saying, it
10 depends on the staff that's allocated for the district
11 offices. What I do in my shop, I do what is called
12 continuing eligibility, so that's after an annual
13 review is done, but the annual reviews are normally
14 performed by BOSs within all the 68 different district
15 offices. And we have the system called Certify, where
16 we went from paper to now it's electronically. So
17 we're saving the burden of mailing documentations and
18 also protecting their personal information that's being
19 mailed to us as well. But I can't speak on the
20 staffing for the district office and either workload or
21 if it's not enough resources for them to provide
22 assistance to -- when it comes to annual reviews.

23 MS. GURLEY: I'll try to speak on that a
24 little bit. So what we're trying to do is with the use
25 of technology, what Sandra alluded to, is we have a new

1 platform where they put their information, they don't
2 have to mail their information any longer. That
3 reduces the burden, but what we're trying to do is
4 gather as much information in that system and try to
5 free up the time that the business opportunities have
6 to help them contact the other federal agencies to let
7 them know about the 8(a) program and our participants
8 in their program and what they're capable of doing.

9 So we're -- bit by bit, we're giving the
10 business opportunity specialists more free time to help
11 and give business development services to our
12 participants, and outreach, because not only do we look
13 at the people in the program, we look at the firms who
14 are applying to the program, because we want a large
15 portfolio, right? And the portfolio, like I said, it's
16 around 4,400 participants right now. I don't have too
17 much conversation with anybody who's saying no one is
18 helping now. So I think we are adequate right now. We
19 want to grow the program more. The program is here,
20 why not use it, right?

21 MR. SHARPE: Do you have the same type of
22 reviews that you have for HUD and the women's program
23 as far as looking at how good they're doing? How well?

24 MS. GURLEY: I don't have any information on
25 that. Do you?

1 MS. BARRETT: No.

2 MS. GURLEY: No.

3 MR. SHARPE: Okay. Because it's my
4 understanding that they do third-party surveys and they
5 don't do it for the 8(a) program.

6 MS. GURLEY: I think they do third-party
7 certifiers, right?

8 MR. SHARPE: Yeah. Right.

9 MS. GURLEY: Right, but we don't need
10 certifiers because we have two -- to get in the program
11 is not that hard for us. We have a structure already.
12 We have two offices that look at our applicants.
13 That's one in San Francisco and one in Philadelphia.
14 The women's business right now, they don't have that
15 kind of structure, so that's why they used third-party
16 certifiers.

17 MR. SHARPE: All right.

18 MS. BARRETT: Not for annual reviews.

19 MS. GURLEY: Right, right.

20 MS. BARRETT: It's just for the applicants to
21 submit the information to become women-owned, but 8(a)
22 is the only one that actually has an annual review,
23 where a BOS is actually touching in and making sure
24 that you're still in compliance and monitoring or
25 measuring your -- how you're doing for that previous

1 year.

2 MS. PEREZ-WILHITE: Joe, do you want these
3 ladies to come back to the June meeting, also?

4 MR. SHARPE: Yes.

5 MR. STUBBLEFIELD: Well, I tell you what we're
6 going to do. I tell you what we'll do. What we've
7 been doing with other guest participants is the
8 committee has submitted reports to Stan, and then Stan
9 will present the questions to you after this, and then
10 we'll follow up and where we go with the June meeting.

11 So this has been, I think everyone would
12 agree, very educational. And for sure, we know going
13 forward, that depending on what the committee is
14 looking for that this is going to require statutory
15 help, and that's where our annual report and other
16 avenues come in.

17 So thank you both very much. Thank you for
18 what you do, you know, with our 8(a) firms and so
19 forth, and a special thanks for being here today. Very
20 energized presentation, too, by the way. You could
21 tell both of you are very passionate about what you do.

22 All right. Okay, we're going to take a little
23 bit of a break before we chime over to Lynn here. So
24 how many minutes should we take, Madam Chairwoman?

25 MS. PEREZ-WILHITE: About 10. Let's do 10.

1 MR. STUBBLEFIELD: Okay. All right, so we'll
2 say everyone's back in their seats at 2:20. Is that
3 good?

4 MS. PEREZ-WILHITE: That's good. That's
5 perfect.

6 (Brief recess.)

7 MR. STUBBLEFIELD: Okay, are we ready to go?

8 MS. PEREZ-WILHITE: Yes.

9 MR. STUBBLEFIELD: We're ready to go, okay.
10 Our final presenter needs no introduction. I'll just
11 turn it over to Lynn.

12 MR. LOWDER: Thanks a lot, Larry and Fran, and
13 you all. Very appreciative of what you all are doing
14 here, the people on this board, and I was really --
15 really appreciate Fran asking me if I could talk and
16 work on this access to capital thing. I'm just a
17 simple Marine, and with all of the programs that we've
18 got and so forth, I just come back down to the basics
19 and the programs are great, but if veterans cannot get
20 access to capital to start their business, you know,
21 what are we doing?

22 So I see this as a fundamental foundation
23 forever, and this has been happening for a while. I
24 laid out for you all -- handed you out this thing here
25 called Maintaining Veteran Strength in Small Business

1 Ownership. There's a second page. It's part of a
2 pitch deck that we have that talks about what's at
3 stake, and this is in terms of what's happening with
4 current veteran-owned small businesses that are in
5 existence out there. We're going to talk about what's
6 happening because we're at, I think, a tipping point
7 for our veterans going forward and what kind of market
8 share we already have right now, which is 9.1 percent
9 of the market out there. We've got that now, but we're
10 not going to have it very long, not the way things are
11 going. So I'm talking about that.

12 And then the other thing I'm going to refer to
13 is this 2018 publication that was authored by the SBA
14 and the Federal Bank of New York. There's some really
15 good information here. So a couple things that we're
16 having to deal with right now in America, as you all
17 know, we've got this dramatic decline in veteran-owned
18 small businesses in America. World War II was the high
19 watermark, 49.7 percent of our World War II veterans
20 ended up in business for themselves for all the reasons
21 we know why.

22 I tell people Audie Murphy would have not been
23 a candidate to be the VP of sales at FritoLay. That
24 guy was -- he was a slugger, and so, you know, I mean,
25 and we got a bunch of those people out there, men and

1 women. We've been at work 20 years, folks. And
2 there's two things that they're trying to do when they
3 get off active duty, you all know that. Number one,
4 who am I now, and then what's my lane in life.

5 And the fact of the matter is, I believe, and
6 I think a lot of you all share this, is that I think
7 many of our veterans are far better off being the
8 captain of their rowboat than being -- trying to fit
9 into some big corporate setting. I'm a really late
10 learner. My wife of 53 years, she will tell you that.
11 And I look back now and I say what was I thinking when
12 I came back from Vietnam. I wasn't thinking anything,
13 you know?

14 I was just a knucklehead trying to figure out
15 where I was going, but I told her many times, I wish to
16 heck we'd have opened a Subway in Naperville, honest to
17 God. I'd have seen more of her, more of our three
18 kids, we'd have owned it. You know, we'd own it,
19 equity. So this is kind of what drives me now. I tell
20 her, I'm sorry, I wish I wouldn't have screwed up so
21 much, and she said, yeah, but then if you'd have gotten
22 your head straight early, would you be doing what
23 you're doing now, and of course the answer is no,
24 probably not.

25 So I'm just grateful I've still got some

1 breath in me and now I hope we can move this needle,
2 Larry and Fran and the whole crew here.

3 So we have this steadily declining population
4 of veteran-owned small businesses in America, nearly 50
5 percent World War II; Korea comes along and it's 40;
6 and now it's 4.5 and declining. A couple things here I
7 want to refer to, and we've got 9.1 percent of
8 ownership of small businesses right now. There was an
9 SBA report, Office of the Advocacy, came out in 2017.
10 It was entitled Veteran-Owned Businesses and their
11 Owners, Data from the U.S. Census Bureau Survey of
12 Business Owners. The report came out in '17. It was
13 based on data of 2012 at that point.

14 And what did they come up with? They said 48
15 percent of the owners of veteran-owned small businesses
16 at that point were 65 and older. This is in 2012. And
17 74 percent were 55 and older. Now, we accelerate to
18 this point, and we've got 50 percent of our veteran
19 small business owners are 73 or older, and 74 percent
20 of all our businesses are age 63 and older. This is
21 not going in the right way.

22 Two primary factors now that we're dealing
23 with that contribute to the decline in veteran-owned
24 small businesses, right where Fran is heading us:
25 veterans' lack of access to capital, and then the

1 second one is -- and I say this -- veteran
2 entrepreneurs' tendency toward startups where you have
3 a lower probability of funding and a lack of awareness
4 of the magnitude of current veteran-owned small
5 businesses that are out there to be bought, already
6 exist, cash flow, customers, the whole bit, sliding
7 into the driver seat, and let's go. So you're not
8 holding your breath for months and months and months
9 until you get your first positive cash flow. Now we
10 can go to the grocery store, Sandy, and we can eat.
11 It's just a much -- it's a much smarter plan.

12 So the other part I want to tell you is
13 many -- I'm going to say most of these current veteran-
14 owned small businesses have no succession plan. And
15 the reason we tumbled -- by the way, look on the back
16 side here of this handout I gave you, when it shows
17 what's at stake. 2.52 million veteran-owned
18 businesses, a lot of businesses out there, and a lot of
19 them are making money. 1.4 trillion in annual revenue.
20 5 million-plus employees. 195 billion in annual
21 payroll. And it's going to -- it's going to start --
22 it's already eroding.

23 So what I wanted to do was alert you all to
24 that. We have a real problem here. Some of these
25 veteran businesses have federal contracts. I talked

1 about it earlier. We don't want them to lose this,
2 lose those contracts. We want to maintain our market
3 share, right, for the future.

4 So we got this -- how did this happen? Well,
5 I just want to kind of give you a little bit of
6 background. I started out years ago, as some of you
7 know, I just -- I stood up a program at the University
8 of Missouri, and I got an angle -- or I got a feeling
9 for all of these veterans that wanted to be in business
10 for themselves, regardless of gender, regardless of
11 race, regardless of age, regardless of major in school.
12 It was a constant drumbeat.

13 I came back and I was fascinated by all this.
14 I dived into the -- I took a deep dive into the GI
15 Bill, learned a lot there. Then started on -- put up a
16 501(c)(3) at that point to try and change legislation.
17 We were out here -- God bless Joe, Joe Sharpe. Joe
18 went on some of those door-knocking sprees with me to
19 try and get somebody on Capitol Hill to listen to us,
20 get the GI Bill back to what it was supposed to be
21 about, which was just helpful employment. That was it.

22 And, you know, ironic, by the way. That's a
23 whole 'nother topic, Larry. I'd love to dig on that
24 sometime, but, you know, we had people in here from the
25 VFW, God bless them, but what they say is, well, you

1 got this GI Bill, and it's worth \$185,000 on average,
2 but if you don't go to college, you don't get full
3 access to your benefit. And if you get a trade, you'll
4 get some of -- most of that, but if you want to go
5 start a business, you get none of that. That's -- it's
6 flabbergasting to me.

7 They've earned that, and we come in here --
8 and some people come in and they say, well, we know
9 better how you ought to be spending your money, Larry.
10 We know better than you, you know? College is fine,
11 but it's not for everybody. You guys know right now
12 with the -- shoot, this big, huge union in Chicago on
13 the South Side, the operating engineers, like two-
14 thirds of their applicants now are college grads,
15 because you get -- you're going to start about 85,000;
16 they got a retirement plan. They got a medical plan.
17 And we have 5 million jobs, by the way, skilled trades
18 that are unfilled.

19 And we all believe in college, that's cool. I
20 think we kind of oversold the proposition of a general
21 degree in sociology like I got. You know what I mean?

22 So, at any rate, back to what we're talking
23 about here. We come down to those two items that I
24 discussed, and it's lack of access to capital and then
25 we have all these businesses out there that veterans

1 ought to be made aware of, and over time, we changed
2 our 501(c)(3), and we invented this vHarmony thing, we
3 call it. eHarmony for dating; vHarmony, we are looking
4 to match up veterans and spouses looking to get in
5 business with veterans that already exist.

6 And how did that happen? We just had people
7 start calling us, and I'd like to say we planned this
8 out, but I did not. We just sort of got swept into it,
9 and it's typically a baby boomer couple, and the kids
10 don't want the business because they got a college
11 degree now, so they don't want a dry-cleaning store,
12 never mind it put them through college, but they're not
13 interested in it.

14 So they come to us, and they say, well, we
15 think we're just going to shut it down, but then we
16 thought about you guys, and, you know, maybe you could
17 help us find a veteran. We always say yes, we always
18 did. And so we just loosely called it the
19 Apprenticeship to Ownership Program. We tell a
20 veteran, get in there, work it for a while, see if it's
21 your cup of tea. We would tell the owners, please be
22 straight with these veterans. We don't want to get
23 them in a bad deal. But if it's for them, tell them;
24 if it's not, tell them.

25 Over time, the volume got so great, we said,

1 you know what, we need to focus on this segment here,
2 so we became the Veteran Business Project, and then
3 along comes the CDFI. And right now, we're working in
4 tandem with the CDFI to take our model all across the
5 country. The volume of current veteran-owned small
6 businesses that don't have succession plans is
7 overwhelming, and California has asked us to come in to
8 help them get a handle on it. I mentioned it earlier
9 today, in the State of Texas, people are starting to
10 wake up to this.

11 So my view of it is I'm hoping this is
12 something we can get the SBA on board with and the VA
13 to start making veterans aware that, hey, listen,
14 there's another option here for you. And if you go to
15 a bank and you've got an actual business with cash
16 flows, you know, tax returns and so forth, sometimes
17 it's easier to finance, and sometimes the veteran
18 owners will help. They'll take a note back so a
19 veteran can get in business. So it just makes a lot of
20 sense.

21 So along comes this report here in 2018,
22 Veteran Entrepreneurs and Capital Access by the SBA and
23 the Federal Bank of New York. They said all the data
24 they look at, the most substantial evidence to date
25 that veteran business owners have a more difficult time

1 obtaining capital compared to nonveterans, veteran
2 business owners reported more financing shortfalls and
3 lower approval rates. Why is this, they say. And they
4 said lower amounts sought, possible lender mismatch.
5 If your loan is around 100K, 130K -- I've been to every
6 bank you can -- I've been to a bunch of them, and they
7 would say for 130, 100K, they just can't make any money
8 on it, they lose money, so they're just really not
9 interested in those lower loans.

10 Another thing they said was a problem with
11 veterans applying for a loan was low credit scores and
12 insufficient credit history. People in the military
13 move around a lot; they don't have a chance to always
14 establish credit like everybody else, so it puts them
15 behind the eight ball.

16 And then they also mentioned in here the time
17 they're experiencing trouble, maybe if they had gone to
18 somebody that could have helped them shape up their
19 financials they would have had a better shot. So what
20 is the answer according to this report? And it's
21 really what I'm here to discuss: easier debt financing
22 was one thing they mentioned, mentorship, and awareness
23 in marketing.

24 Let's go back to easier debt financing. They
25 talk in here about -- and this is the SBA and the

1 Federal Bank of New York talking about this -- one
2 potential way to increase credit is through the 1,000
3 community development financial institutions. They
4 provide affordable capital and mentorship to build
5 communities. There's already a few CDFIs with veteran
6 focus such as PeopleFund. Now, the whole idea here,
7 and I never quite got this, you know, when you look at
8 some of these laws or programs, you want them to make
9 sense, right? So the CDFI program, you have other
10 targeted populations. These are people that we feel
11 have been behind the eight ball historically, and they
12 deserve a shot. Every single one of those categories
13 are in our club, the veterans club. We got them all.
14 And we've had them all for a long time, the fact of the
15 matter is.

16 And the fact of the matter is the CDFI program
17 has been around for 40 years. The Department of
18 Treasury, they've been lending to veterans all along.
19 They just didn't categorize them like that. They got a
20 -- they would have a lot of information on veterans
21 that they've leant to, but they just never categorized
22 them as that.

23 Then along comes JPMorgan Chase. These people
24 are in the game. They stood up Veteran LLC with their
25 own money. You're all probably aware of that. These

1 are 12 CDFIs that do lend to veterans, so the precedent
2 for Treasury is already set. It's already doing it.

3 I would like us to really push to cross-deck
4 over towards Treasury and say, our guys and gals need
5 to be officially designated as a member of your other
6 targeted population. It is the right thing to do.
7 It's the right thing to do. That's the hill we ought
8 to be ready to die on, that hill. And if we do that,
9 we're going to -- that's going to take care of a lot of
10 -- a lot of the issues here.

11 Jim Wong, the Main Street Launch, Veteran
12 Launch, their average loan is 130K. So in that case,
13 it's well within the 250 limit. And what we hear is
14 that Treasury is going to bump that limit to 350. And
15 in that program, no FICO, and the collateral, I really
16 believe that veterans need to come up with some
17 collateral, but "some" is a lot different if you're a
18 retiring colonel and if you're a corporal that's been
19 handling the machine gun over where it really counts,
20 and all of our hearts in here, I know, are for those
21 young enlisted people that do the heavy lifting, you
22 know, the general strut-around. God bless them, it's
23 those young enlisted folks that do the heavy lifting in
24 combat. They deserve -- they deserve the opportunity
25 more than anybody in the whole wide world. So I would

1 really like us to put that on as a designated goal.

2 MS. PEREZ-WILHITE: And how do we word that,
3 Lynn? What's the bullet point wording of this?

4 MR. LOWDER: We want -- that veterans be
5 designated as an other targeted population, or OTP, as
6 they call it, Fran, so that definitionally we will be
7 eligible for the program, which opens up 1,000 CDFIs
8 all around the country as compared to 12. But I do
9 want to tell you, those 12 that are in business, they
10 cover about 60 percent of the country. Remember Gary
11 Lindner?

12 MR. STUBBLEFIELD: I do, I do.

13 MR. LOWDER: You guys, he was in here. He
14 had 48 funders for PeopleFund, 48. These are banks
15 that come in, and for their community reinvestment
16 credit so they can stay federally licensed, they write
17 a check, literally write a check. Main Street Launch
18 got five -- five banks. They cut them a million
19 dollars a year. That's three-quarters of their lending
20 capital. And then they get the other three -- the
21 other quarter, they got flat-rate loans from those same
22 people that are cutting them a check so they can get
23 their community reinvestment credits. It's just a
24 wonderful program. It makes a lot of sense.

25 Here's the other thing. You know, we're

1 working on the South Side of Chicago, the inner city,
2 and then I'm downstate Illinois now, I'm talking to
3 small city mayors left, right, and center that have
4 been devastated by Walmart and Costco and all the
5 others. You guys know, there are, in these little,
6 small towns, there are veterans in there that have
7 businesses. There's a small engine repair shop in this
8 podunk place where I'm from, Sullivan, Illinois, and
9 this guy is rolling through about \$150,000 in business,
10 and he told me, he said, Lynn, if I'd run an ad, just a
11 print ad in Decatur newspaper in Mattoon, he said I
12 could double that and my wife and I would drown in
13 business. There's opportunities out there.

14 And, also, in rural areas, you know, now, you
15 know, hemp is being grown, and cannabis. You know, we
16 can all talk about, you know, how we feel about certain
17 things, but here's the reality of it all. You know,
18 the VA is looking at cannabis heavily now, and as far
19 as I'm concerned, you know, all the disclaimers aside,
20 I'm an old goat, you know, whenever I wanted to get
21 high, I'd guzzle down beer or whiskey or whatever, you
22 know, whatever was handy. I never smoked a joint in my
23 life. I was the guy in the Marine Corps that was
24 locking people up for it, but that was then and this is
25 now.

1 And we got veterans downstate Illinois that
2 are thinking, I can grow soybeans or I can grow corn or
3 I grow cannabis and I'm going to make a lot more money
4 on cannabis. So you know what, if that's going to be
5 done, I want them to have their opportunity if that's
6 what they want to do. All sorts of opportunities down
7 there.

8 So that would be number one, Fran and Larry,
9 please, if we could go at Treasury and see if we could
10 get them to do the right thing. It sounds like they're
11 kind of leaning in that direction, but I don't know,
12 you know, whether that --

13 MR. STUBBLEFIELD: Well, I'll just say, Fran,
14 like I know one of the goals this year is access to
15 capital, so this is just a sub-bullet under access to
16 capital. And we have been engaging with Treasury to
17 include our Associate Administrator in our Office of
18 Capital Access, and the plan now is that we've got an
19 Administrator on board who came from Treasury, is now
20 to brief her and then get her thoughts on how we
21 approach Treasury, because I will tell you that we've
22 had multiple engagements with Treasury, and the way
23 they view veterans, veterans are, and I'm quoting them
24 now, veterans are already OTP; they're just in other
25 categories, you know. And so -- and you have to have

1 what they call -- Treasury calls strong evidence base
2 to get the OTP status.

3 MR. LOWDER: I know Larry had a lot to do with
4 bringing Treasury in here, Larry, so thank you for
5 that, by the way.

6 You know, you just -- like, it's a big
7 government we have, and, you know, one department --
8 it's a left hand/right hand thing, I think, sometimes.
9 So that would be the number one thing. When we get our
10 veterans designated as an OTP, they can access 100
11 CDFIs all around the country who are looking to lend
12 money. And our guys and gals are great risks. They're
13 great credit risk.

14 The second thing I'd like us to consider would
15 be the loan guarantee, percentages that the SBA offers
16 in their loan programs, and then the credit score, the
17 creditworthiness. You know, we'll -- now, I know this
18 is a little bit right of center, left of center, off
19 center. Philosophically, we'll send a kid to college
20 with no credit score and no collateral, but under some
21 of our programs here at SBA, a youngster's got to have
22 680 credit score about and a dollar for every three or
23 four that he or she wants to borrow. Come on, guys.
24 Let's see if we can change that. Let's see if we can
25 change that, for crying out loud.

1 The other part about that is, too, Larry, I
2 just --

3 MR. STUBBLEFIELD: I was just going to say
4 before you go on, how are we going to -- how are we
5 capturing this? So we're talking about the credit
6 score?

7 MR. LOWDER: See what we could do about the --
8 just the general lending criteria, it's all this -- you
9 guys know this. It's all distilled down. I've got a
10 little cheat sheet here that I -- here it is. The SBA
11 loan fact sheet, the general credit requirements for
12 the programs. Let's see what we can do. You know, the
13 CDFI program, no FICO score, zip. So they did it. And
14 we're not a lender. We're a guarantor. That CDFI
15 money, that's their money. You know, it's grant money
16 they get, but they're lending it. So we're a step away
17 from that. I'm not saying give away money. That's not
18 the point, but the point of it is they gave at the
19 office already. You know, they laid their lives on the
20 line. We all signed that contract, right? So that
21 ought to count for something.

22 So there's that I'd like to work on. I think
23 that's, you know, a very worthy thing to do. And
24 here's the last point, and I'll shut up. With all of
25 these -- I ran into a lawyer in Chicago, Roger Stelle,

1 about three weeks ago through a friend. And this guy
2 runs -- he's got a 40-lawyer firm, and they do business
3 deals in Chicago. And it's mostly blue-collar,
4 manufacturing, things like that. And he told me, he
5 said, Lynn, he said there's never been a better time to
6 buy a business than now, never. And he said there's
7 lots of money to buy them, too. And he said -- he said
8 we do a lot of lending through the SBA, and I said,
9 wow, I said that's impressive. He said, well, I'll
10 tell you about the SBA. He said people are going to
11 get more lending done with the SBA but they're stupid
12 and lazy -- not talking about the SBA, talking about
13 the people doing the paperwork on the other end.

14 So I'm meeting -- I'm on board with this Roger
15 Stelle. I'll let you all know how that goes, but right
16 now, we've got -- and we're just word of mouth right
17 now. And we are volunteers; we're self-funded. But we
18 are in front of JPMorgan Chase right now, and Gary
19 Lindner got us in there. And we're looking at a budget
20 now for the first time where we could really kick out
21 some marketing and roll this thing across the country,
22 which we'd like to, this matchmaking thing, along --
23 partnering right up with CDFI.

24 MS. PEREZ-WILHITE: The vHarmony you're
25 talking about?

1 MR. LOWDER: Yes, yes. So if I come in, and
2 this is what Roger said, he said, you know, we got
3 these businesses here. He said, I got a guy, and this
4 is just a comment. He said I sent a guy on a \$2
5 million deal and he had \$125 in, \$125,000 in for a \$2
6 million deal on this manufacturing facility. So the
7 point is, I'm saying that in some ways, if you're going
8 in and buying an asset that's cash-positive, that's
9 been in business a while, that would probably be an
10 easier sell in some ways than going in and getting a
11 \$100,000 loan, as strange as that might sound.

12 So we've got real opportunity here. I want to
13 ring the bell for veterans as saying, hey, listen, you
14 know, you want to start a business, brother or sister,
15 God bless you, man, but do you know we got a mountain
16 of businesses over here, and a lot of these folks don't
17 have succession plans, and you wouldn't have to hold
18 your breath until you get your first, you know, dime to
19 go eat something? And it just -- it's a lot smarter
20 play in my opinion. Not for everybody, but it's for a
21 lot of people, and these owners are looking, looking,
22 looking for people to come in.

23 And how about veteran to veteran? Now we're
24 talking family. So that's what I see, Larry and Fran.
25 That's what I've been -- that's what I've been doing.

1 So those are the two things that make sense to me that
2 we can work on, that are doable, gettable, I hope. I'm
3 done. Thanks.

4 MR. STUBBLEFIELD: I was just going to ask
5 you, I know in our handout here you talk about the
6 various states and so forth, but for right now, are you
7 -- have you gone national, or are you --

8 MR. LOWDER: Yes.

9 MR. STUBBLEFIELD: Okay, you've already gone
10 national.

11 MR. LOWDER: Yeah, we've got -- you know, with
12 our volunteers, we got 95 active cases right now, so --
13 and we have a success manager. We want to hire 10
14 more. And they -- we -- this isn't like, you know,
15 Match.com where you give somebody a number and then you
16 go have a nice time, go have coffee and see if you like
17 one another. We are working with the veteran all the
18 way through. It's about a 10-step process. We coach
19 them all the way through, all the way through. And --
20 because I want to know do they go all the way through
21 and finish it, or if they opt out at some point along
22 the way, and if they do, why did they opt out. So I've
23 got demographics.

24 You know, if JPMorgan Chase helps us, you
25 know, I want to be able to show them that they -- it's

1 a good investment for them and for us and for the
2 veteran. So I want to show them a return here, so we
3 got to know what we're doing. So we'll have data.
4 We're getting data right now, so it's just a smart
5 thing. I mean, it's a good thing for the veterans, I
6 think.

7 MS. PEREZ-WILHITE: This is Fran Perez-
8 Wilhite. So, Lynn, besides us talking to Treasury, and
9 besides giving you a couple of subcommittee members,
10 what do we do as a board to support your effort or
11 efforts?

12 MR. LOWDER: Yeah, well, you know, military
13 problem, military solution; political problem,
14 political solution. What I see about the access to
15 capital, it's a political problem. It's more political
16 than anything, I think. And we live in a town that's
17 political, or this is a city that's political. Ask
18 that man right there. He knows. And, Larry, I know
19 you know, too. All you guys have -- all y'all have had
20 experience.

21 So it's looking for an angle. I was late
22 today -- and thank you, guys. I was late today. I had
23 a meeting with Bel Leong-Hong. She is a friend of Jim
24 Wong's. She is former Undersecretary of the Army. And
25 I was telling her all about this, saying how can we get

1 Treasury's ear. Well, I think we got Treasury -- I
2 think they're leaning that way. And if -- we got Larry
3 here, thank goodness. We want to get as high -- I
4 don't know. Larry will know how to game plan this. I
5 saw it as there's two ways to do it. You know, you're
6 working up the chain of command, but you got to have
7 the political push behind it. People are looking for
8 solutions.

9 Here's another one. People saying to me,
10 well, what about the suicide thing? What's happening
11 out there? There's no game plan from DOD or the
12 President of the United States or nobody. I don't hear
13 a game plan. We're just kind of talking about it,
14 spinning around, spinning around.

15 I believe that the last thing that happens
16 before one of our veterans picks up a weapon and does
17 something that we wish they wouldn't, the last thing,
18 the last flicker that goes out is hope. It's hope.
19 When you don't have any hope anymore, the world's a
20 dark place, you're depressed, you're not fitting in,
21 and then these veterans today, many have seen combat,
22 no fear of death. So that becomes a logical decision.

23 The bottom line, what we're here about here,
24 in my opinion, it's hope. It's hope. So it's worth
25 it, whatever we do. I wish I could talk to -- oh, and

1 this lady here is a Chicago person, I hear. So, you
2 know, she's a homegirl. So --

3 MR. STUBBLEFIELD: You're talking about Bel?

4 MR. LOWDER: Yeah. Oh, Bel -- Bel, no, I mean
5 the head of the SBA.

6 MR. STUBBLEFIELD: Oh, oh.

7 MR. LOWDER: I think she's a homegirl, yeah.
8 She's a homegirl. So I can sit down with her, if we
9 could sit down with her and say, ma'am, would you
10 please pick up the phone, call the head of Treasury and
11 say let's go have coffee and talk about this. And, you
12 know, do an end-run on the whole doggone thing. If
13 Treasury would agree to it and SBA would push it, you
14 know, get the two generals talking, whatever, however
15 we game this, but I'd like to walk away, before I go in
16 the hole, I'd like to say that on our watch, we did
17 this thing. If we did this one thing, we will have
18 really moved the needle for those troops on the ground.
19 It keeps -- you know, I lose sleep over this stuff. It
20 just seems like it's so overdue.

21 MR. PHIPPS: This is Mike Phipps. So, Larry,
22 in the past, we had these very targeted plans, and what
23 we've seen has worked in the past is the SBA would come
24 up with a study, and I don't think anecdotally Treasury
25 is going to do anything unless we can pull this kind of

1 data together in a paper or a study and get -- this is
2 the craziest, 74 percent of veteran businesses are 63
3 and older compared to 41 percent in the regular
4 population.

5 We're going to -- if we don't do something
6 now, we're going to -- in two years or three years,
7 we're going to be looking at these numbers that today
8 we're doing better than the rest of the population, so
9 this is something -- this is something with some very
10 easy projections, goes into the study. This white
11 paper where you talk about -- that goes into the study,
12 and then on the political standpoint, once SBA has that
13 paper, we can go to Capitol Hill with that paper.

14 MR. LOWDER: Yeah, amen. I mean, there's --
15 we can game this so many different ways. Joe, if the
16 Legion, you know, people look for things that they can
17 do for veterans, if the Legion would throw in with
18 this, get their membership behind it, we get enough
19 push on Capitol Hill, people will wake up to it.

20 Honestly, people say to me, well, why hasn't
21 this been done before. And I say, I don't know, but
22 here we are. So we have willing hearts here. We could
23 get some push behind this, you know, VSOs, Marine Corps
24 League. I mean, it's just -- Joe, we could mount a
25 campaign with VSOs and they could have a lot to do with

1 this, you know? And it's election year, for crying out
2 loud. There's so much fairy dust to sprinkle around,
3 you know, on this thing here, and as far as politics
4 are concerned, when it comes to veterans, I'd say this
5 is one area where people are going to lay that stuff at
6 the door and get on in here and let's talk about
7 helping veterans, you know?

8 And I'll sing them all to the heavens, whoever
9 they are, and thank them. And I mean it sincerely.
10 Enough on that, but this is a good thing. I really
11 appreciate you hearing me out. I'd really like to go
12 at this thing, but I mean go at it strategically and
13 really go at it so we could say we did this, we brought
14 this in.

15 MR. STUBBLEFIELD: Okay, I appreciate what it
16 is you're doing, Lynn, and to your point, Mike, I think
17 maybe what we should do because Lynn's the last
18 presenter today, and you're getting ready to go into
19 committee time, we probably need to come up with what
20 actions do we need to take as a body before the next
21 committee meeting.

22 And that's the new approach that I'm taking on
23 a lot of things like we're at A; the next time we get
24 together, the rule is we have got to be at B, C, or D.
25 We can't still be at A. So every time we get together,

1 the needle has got to -- something has got to have
2 happened to move the needle. So during the committee
3 time, let's talk about what it is we need to do before
4 the June meeting.

5 MR. LOWDER: By the way, we've got data now
6 through Veteran LLC, Mike, data on the lending
7 experience of the CDFI program for veterans. They got
8 plenty of data, plenty. So they should look at that
9 and go, that's doing pretty good. You want some more
10 of that? A bunch of veterans -- yeah, exactly. So the
11 data is there. We can pull that from Veteran LLC.
12 Gary Lindner was big with that, and JPMorgan Chase laid
13 down all the money to get that whole thing started, so
14 we do have the ability to get data and show how it's
15 going with the veterans they're lending to right now.

16 MR. STUBBLEFIELD: And, again, going back to
17 Mike's point, you know, we really got to make a
18 concerted effort to explain why this OTP, because, you
19 know, all the way up the chain in Treasury, you know,
20 Bill Manger, he's our Associate Administrator in our
21 Office of Capital Access, and he's a political
22 appointee who went over and actually worked with the
23 Treasury people, moving up the chain, and this thing
24 about needing, you know, a strong evidence-based
25 approach is something that they emphasize.

1 And, in fact, I went to one meeting with
2 Bill where I think it was like about five or six high-
3 level Treasury people who were sitting at the table,
4 who -- I'm trying to remember the term they used, but
5 it was -- they were talking about a steep climb. It's
6 a steep climb to come up with an OTP. So we got some
7 work to do on that.

8 MR. PHIPPS: Is there any criteria for that,
9 or can we see what has been done in the past to at
10 least follow a pattern that would be more digestible
11 from Treasury?

12 MR. STUBBLEFIELD: Let me go back and take a
13 look at that because we did talk about -- I mean, with
14 them, it's -- I can't remember if it's regulatory or
15 statutory, the steps being what you have to do, but
16 we'll flesh that out.

17 MR. LOWDER: See, the program was designed
18 originally for inner-city and rural areas to be an
19 economic jumpstart for disadvantaged populations.
20 There's some good information in this little report
21 here, 2018, about how veterans are disadvantaged. I
22 mean, why are our business base older -- much older --
23 than the average civilian? And it's because we're
24 disadvantaged coming out. We get started later, and
25 then we're behind the eight ball in comparison with

1 collateral and all the rest of it, credit score, yeah,
2 disadvantaged for serving your country.

3 And I just think they're -- to me, they're
4 more -- it's like light infantry, Larry. They're more
5 -- they seem to be more -- they get it, they just get
6 it. They see it, it seems. We're about ready to find
7 out.

8 MR. STUBBLEFIELD: All right. Thank you very
9 much, Lynn. Great presentation.

10 So at this time, we're up to committee time,
11 so I think all of us who --

12 MS. PEREZ-WILHITE: The date, we have to do
13 the date for the next meeting. Have we gone over the
14 date?

15 MR. STUBBLEFIELD: Okay. I was going to say,
16 I know we do -- we have the date.

17 MR. KURTZ: It was June 7th. Let me check
18 real quick. Yeah, let me just pull it up here. It's
19 the first week in June.

20 Yeah, so it would be the 4th.

21 MS. PEREZ-WILHITE: The next ACVBA meeting is
22 the 4th of June, June 4th. It's a Thursday.

23 MS. PORTER: Perfect. Thank you.

24 (Brief pause.)

25 THE REPORTER: Are we off the record?

1 MR. STUBBLEFIELD: Yeah, we're off the record.

2 (Brief pause.)

3 MR. STUBBLEFIELD: All right, so this meeting
4 is officially adjourned.

5 (Whereupon, at 3:01 p.m., the meeting was
6 adjourned.)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF REPORTER

I, Jennifer Razzino, do hereby certify that the foregoing proceedings were recorded by me and reduced to typewriting under the supervision of For The Record, Inc.; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were transcribed; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

s/Jennifer Razzino
JENNIFER RAZZINO