In the Matter of:

Interagency Task Force on Veterans Small Business Development

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Public Meeting

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OPENING REMARKS/INTRODUCTIONS

MS. CARSON: Good morning, and thank you for coming today to the Interagency Task Force of Veterans Small Business Development. We have with us today the Department of Veteran Affairs and the Department of Defense and SBA, and hopefully more of our members will join by phone.

I’ll just check now. Is anyone on the phone?

No, okay. So, we may have a brief meeting.

You know, I thought we would have the display, but we don’t. So, I’m just going to go ahead into the Training, Counseling and Outreach Committee. We are going to have a new member from the Department of Labor. Ms. Ruth Smardig has been given a detail over to Commerce, so Mr. Mark Tolles may be joining us shortly.

But for now, I will cover what SBA is doing in training and counseling for veteran entrepreneurs.

Focus primarily is on Boots to Business. The expansion is going well from -- we’re all across the United States, in both the Asian and European theaters. We are starting to get a lot more data on what the demand looks like, and the performance is hopefully to come soon. We’re working through OMB processes for surveys, registrations, so that we can show from the beginning to the end what happens when a transitioning service members does seek entrepreneurship, how successful are they in getting access to capital and contracts, for example, in the federal workspace.

So, we expect to hit a major milestone in this program: 25,000 service members will have gone through Boots to Business in the next few weeks. We will share that news more broadly than this group soon and look forward to what that means.

We are also working with DOD at looking at transition numbers. Right now, we’ve been told it’s 250,000 per year. It varies as services tailor exactly the force that they need for the missions at hand. We, for now, are using a goal of 10 percent, is what we would like to see come through Boots to Business, reflective of the civilian experience where one in ten small businesses is veteran-owned. Whether that will bear out remains to be seen.

We are looking at installation and service behavior, where there are certain service cultures where entrepreneurial activity seems to be more in line with those that are separating than others. For example, the Navy has rather low participation in this entrepreneurship track compared to the other services.

So, we’re working with transition managers and also at the headquarters level to understand is it something about the program, is it just a culture, or is it, for example, for Navy being deployed overseas and on ships.

We are working at various ways to deliver programming as one of the ways to address that issue.

CAPT. BALZANO: Ms. Carson, I --

MS. CARSON: Go ahead.

CAPT. BALZANO: -- if I remember, a couple of meetings ago, I think I made the introduction between you and Admiral Erb (phonetic). Did that help at all, or --

MS. CARSON: Yes.

CAPT. BALZANO: You may not remember. I know it was a little bit ago.

MS. CARSON: I need to follow up again. So, we’re working also through the transition assistance, the executive council, and with the VA, DOD, Labor, and Education, and trying to go there, as well. And right now we’ve got team members out at individual installations, getting on-the-ground feedback on exactly what we could be doing.

CAPT. BALZANO: Mm-hmm. So, that’s a Commander of Naval Installations Command issue.

MS. CARSON: Thank you.

CAPT. BALZANO: I’ll help connect the dots with you.

MS. CARSON: I appreciate that.
Another interesting data point is that the larger installations have lower uptake in entrepreneurial track. So, the small installations have a higher percentage of those who are leaving who choose to take the entrepreneurial track. And that is something else that we don’t understand it but we’re looking into. It just doesn’t make sense.

CAPT. BALZANO: Well, the larger installations will be the homes for some of our major weapon systems, so and some of the major big contractors are there, who usually suck up the guys coming out because they’re trained on those systems and blah, blah, blah, blah. So, the smaller installations will have folks who don’t necessarily have those skill sets because they’re not doing maintenance on the jets or on the aircraft carriers or whatever. So --

MS. CARSON: That is interesting.

CAPT. BALZANO: -- that may be the link of why that’s happening. Just a comment.

MS. CARSON: And you already made this meeting worthwhile. That’s a great thing for us to investigate. Thank you. Okay. I’m going to move into access to capital for us, unless there are questions on Boots to Business specifically.

CAPT. BALZANO: No, but I’d like to point out, though, one of the things that the Defense Department was asked by OMB, your administrator testified on the 24th of February.

MS. CARSON: Mm-hmm.

CAPT. BALZANO: And she, in her testimony, requested an additional $950,000 for Boots to Business. And we not only pushed that along, we also -- we concurred with no objections is the official term that we gave to OMB. So, I think you’re going to hopefully see that move forward.

MS. CARSON: Thank you. That brings up -- and I don’t want to shut down discussion on training because I know that VA probably -- you may have some things you want to say in this area, too, but that budget item I would love to talk about for a second because it reminded me that I left out a few of our training programs that we should absolutely talk about. That money will help go towards an expansion of Boots to Business, to all areas of veterans, and we’re calling that Boots to Business Reboot. It’s a public/private partnership that will make it possible.

Where this can be a very -- a great value-add is it’s modular. It’s the same curriculum that’s from Boots to Business, but we can take it out to cities, we can add it on to events like something that we may do with the American Legion or another partner or resource partner, especially Guard and Reserve. We are having -- we continue to find challenges, and I know this it throughout transition, every organization that’s involved in this transition piece is having the same issue with Guard and Reserve. They’re eligible for it, but they’re not getting it necessarily --

CAPT. BALZANO: Right.

MS. CARSON: -- in the numbers we’d like to see. So, this is one way to address it. In June, we will be able to announce exactly what that partnership looks like, who’s joining us in this space. We’re very grateful for the support and expect that we will be making an announcement in April or May.

And the scope of what that may do is between 50 and 100 events across the United States each year. The test run that we did through our district offices last year, we had attendance from 30 people in a session to over 120. So, we will work on figuring out what the right mix is and where.

Veteran Women Igniting the Spirit of Entrepreneurship is -- the next one will be in Washington, D.C., the last week of May. We continue to see great results there with 200 women expected to be there, perhaps more this time. It’s been wait list for months already. We will have two more sessions this year. Those business starts, similar to our other three-phase program for service-disabled vets, we’re seeing startup rates in the 40 to 50 percent rate within a year of taking the course. And the mortality of those businesses, although VWISE is new, is also looking good. They’re stronger start and faster start.

MR. LENEY: Just a point of clarification.

MS. CARSON: Please.

MR. LENEY: We have been marketing Boots to Business -- I want to make sure that I’m correct when I say you don’t have to be part of the TAP program; you can be out of the service and still utilize that program. Am I incorrect?

MS. CARSON: At this moment, that’s not correct.

MR. LENEY: Okay.

MS. CARSON: So, Boots to Business, without Reboot after it, is only for service members and their spouse --

MR. LENEY: Transitioning.

MS. CARSON: -- who are transitioning and eligible for TAP. But we are working with DOD on the
Military life cycle and what that looks like, because, honestly, we would like to see military spouses be eligible to go through the entrepreneurship track at any time, whether the person they’re married to is eligible for TAP or not because entrepreneurship is an excellent way to maintain a career and progress when one moves frequently.

Mr. Lenev: Mm-hmm.

Ms. Carson: So, we are making progress on that with DOD. And then I would like to be able to say that we can support that. We are not yet resourced to go beyond the transitioning population.

Mr. Lenev: Got it.

Ms. Carson: But I think we could.

Mr. Lenev: Thank you for the clarification, because there are number -- we do run into a number of veterans who --

Ms. Carson: Mm-hmm.

Mr. Lenev: -- either transitioned earlier, didn’t take advantage of the TAP program, who are interested in the entrepreneurship. There are other programs and other schools, but, okay.

Ms. Carson: You remind me also that we should not -- and we would not -- do this in a vacuum, that working with DOD to see where is the need, and obviously with your populations as well, Tom, if we could work with VA to find those locations and coordinate.

Mr. Lenev: By the way, the VA does have a program by which people can utilize their GI bill for education benefits for these kinds of entrepreneurial programs, but the program has to be preapproved. So, and but there are approved programs for doing that. I was just mistaken in thinking that Boots to Business -- I will correct -- I will correct my statements in the future.

Ms. Carson: Okay. But Reboot absolutely will be that, so we’ll keep you and your whole team --

Mr. Lenev: Okay.

Ms. Carson: -- up to date on what happens with that.

Mr. Lenev: Super.

Ms. Carson: Okay. For -- do you mind if I go into access to capital for a moment from SBA’s portfolio?

Capt. Balzano: Please.

Ms. Carson: Okay. We, for the first time, have had some access to the data beyond what is the number of units of veteran loans and what’s a dollar value of those loans. And we are at the first steps of really understanding that. I’d like to get some slides for you before we end today so that I can show you that while veteran lending is trending along with other SBA trends, we are a little lower than I’d like to see. The match is also there for the -- across the diverse NAICS codes, for example. Veterans do follow the same trends as other businesses. So, there were some potentially within our agency and elsewhere that vets would only do certain kinds of activities. That’s not the case. And they are doing well.

We are seeing the greatest number of loans under $350,000, but there are vets who are quite successful in getting the higher-dollar-value loans. So, we will get those slides for you.

And, Selah, may I ask, is anyone upstairs?

Ms. Mun-Rhodes: Yeah, Joe’s actually --

Ms. Carson: Perfect. Okay, so I’d like to take a deeper dive on that when we have a moment, and then I’ll also go over the Veterans Advantage, which is in place right now, a savings, as we talked about last meeting, of up to $30,000 for a veteran who’s looking for a loan. It’s no fee at all for them for a loan up to $350,000, and above $350,000 up to 5 million it’s a half fee, and that’s where that savings of up to 30K could be. The spouse is also eligible for this small business guaranteed loan.

Okay. Is there anything --

Capt. Balzano: Is there a name for that program?

Ms. Carson: Veterans Advantage. SBA Veterans Advantage.

Is there anything on training, counseling, outreach or access to capital for the Department of Veteran Affairs?

Mr. Lenev: No. The Vets Advantage is not a -- does not guarantee the loan, however, am I correct?

Ms. Carson: There is a guarantee associated with it because it’s part of the SBA Express, so 30 -- it’s a 50 percent guarantee, 350 and below; and above that, within the 7A programs, it’s whatever the guarantee is for the program that it’s applied for.

Mr. Lenev: Okay.

Ms. Carson: So, that can be up to 85 percent. Thank you.

Tom, was there anything you wanted to cover?

Mr. Lenev: No, ma’am.

Ms. Carson: Okay. Is there anything that you would like --

Capt. Balzano: From the Defense Department?

Ms. Carson: Mm-hmm.

Capt. Balzano: Yeah, I can give a quick update to some folks.
MS. CARSON: Thanks.

CAPT. BALZANO: We spoke a few minutes ago about the 950K that we objected with -- we concurred with with no objection, so that’s a great thing. The other -- we had two other kind of major initiatives. In our office, the Office of Small Business Programs, we handle a fair amount of technology programs, and so the name is a little misleading.

And, well, first of all, let me apologize. Mr. Wesley could not be here this morning because he is actually giving awards to one of our programs called the Mentor/Protegee Program. And that’s a program that we take large companies and they take small companies, and then they help them understand how to become prime contractors for the Defense Department. We teach them about accounting, their systems, and all of that.

And it’s been so successful that over the years the Congress has only authorized it, you know, like a year here, two years here, and for the last year and a half, one of my efforts has been to work a legislative proposal to get that program authorized long-term. And OMB has agreed to it, which is the hugest step. So, now the White House will submit the language to the Congress to approve that program for five years, authorize it for five years with its own appropriation line of -- it’s in the 30-plus million per year for that program. So, that’s, believe it or not, a big victory us, because we weren’t getting any traction for a few years trying to get that authorized.

And the reason that’s big is because now industry sees, hey, this is authorized for a period of time, not just a year or whatever. So, we will get involved, so we’ll see more participation in that. And almost the identical thing has happened in our IIP program, the Indian Incentive Program. We have a program where we incentivize companies to use Indian-American-owned companies to buy things, for instance, like an example would be like a Lockheed Martin would buy their component for one of their aircraft from a company that’s owned by a Native American, and for that, we give them a 5 percent rebate. So, say they spend $10 buying this component from the American firm, then we give them $5 for that. But that’s because the price isn’t normally as competitive as it could be, but it’s our way of kind of forcing that program into the market.

So, those are two -- the big thing on that is that we had to brief the Senate Indian Affairs committee, and we got their full backing, and now we have an official authorization request from our comptroller for that program, which is $15 million a year. Every year we were authorized to do that program, but we were scraping up pieces of the money left over at the end of the year to pay for it. Now it’s going to have its own appropriations line, which is another huge step for us.

Mr. Gudger, I guess I forget to mention this, as well, I think Mr. Wesley mentioned it, but he is officially now the Assistant Secretary of Defense for Manufacturing and Industrial Base. And we are sad to see him go. He’s been a -- he was a great boss for me while I’ve been there. And Mr. Wesley is the Acting Director until someone is appointed to that position. But he still comes over. He called me yesterday and just asked how I was going, and I said enough with the small talk, what do you need?

MS. CARSON: Right.

CAPT. BALZANO: And he said, no, I’m just checking on you, so he truly does still care and he still checks on us.

MS. CARSON: Fantastic.

Sir?

MR. GATEWOOD: Yes, Skipper. That’s really great what you guys are doing. You’ve got an incentive program for Native Americans. Do you have an incentive program for veterans?

CAPT. BALZANO: Well, we have our goaling system for all of the subcategories.

MR. GATEWOOD: I understand that. Do you have an incentive program for service-disabled vets --

CAPT. BALZANO: We do not have a particular program.

MR. GATEWOOD: But we have one for Native Americans?

CAPT. BALZANO: We do, sir. It’s been in for a long time.

MR. GATEWOOD: Thank you.

CAPT. BALZANO: It’s a good point. Let me just check my notes and make sure I covered everything. Oh, I have --

MS. CARSON: I can hear, Mr. Gatewood, but if you don’t mind coming up and speak into the microphone so we can make sure we get your comments in and your name. That would be helpful. I’m sorry, I forgot to say that when we started.

MR. GATEWOOD: Yeah, I just -- you know, I’ve been in business for 27 years and I keep on seeing the (inaudible). We’re veterans, particularly DOD. First of all, Skipper, I welcome you here. I’m a retired Marine, a Vietnam veteran -- retired Marine and Vietnam veteran, but I want to say that you guys over at DOD need to really start walking the walk. You’ve yet to get your 3
CAPT. BALZANO: That’s not true, sir. We reached our goal last year.

MR. GATEWOOD: Last year, first time --

CAPT. BALZANO: First time in history.

MR. GATEWOOD: -- and since 1999.

CAPT. BALZANO: That’s due to my boss -- well, my former boss, Mr. Gudger.

MR. GATEWOOD: Well, the fact of the matter is to DOD and back to the Secretary, it’s that our veterans who have served, particularly our veterans that have served in combat and been grossly wounded in action and so forth, need these same incentives as Native Americans or any other group. To me, it’s morally bankrupt to put other people before our service-disabled vets. And I’m not here to chastise you.

CAPT. BALZANO: Oh, no, sir. It’s --

MR. GATEWOOD: I’m just saying in my voice what I say.

CAPT. BALZANO: That’s a political decision, though.

MR. GATEWOOD: It’s the politics of Washington.

CAPT. BALZANO: Exactly.

MR. GATEWOOD: And, you know, for the DOD in particular not to put their service-disabled vets first is morally bankrupt. That’s all I want to say, sir.

CAPT. BALZANO: No, I -- I’m not going to say I agree with you because I see the efforts of folks in the building and what they’re trying to do. Does the program exist? The answer is no, and you are correct about that. Is there something that can be done? Of course there is.

It’s well above my pay grade, sir.

MR. GATEWOOD: I know that, sir.

CAPT. BALZANO: So --

MR. GATEWOOD: If Andrew were here, I’d tell him the same thing.

CAPT. BALZANO: I will pass it on.

Moving on, we have a couple of outreach events coming up that I don’t have any information for, but I will get it to you as soon as it’s all coordinated. But we have been directed by our boss, the Undersecretary, Mr. Kendall, to conduct two forums, small business DOD forums for training and support to companies who want to get into our business. The first one will be held out in San Diego, and there will be another one on the East Coast. I don’t -- as I said, I don’t -- we don’t have the details yet, but once we do --

MS. CARSON: Okay.

MR. GATEWOOD: I’m sorry (off microphone). I’m jaded, you know.

CAPT. BALZANO: That’s all right. It’s fine.

It’s fine.

MR. GATEWOOD: It’s in our face.

CAPT. BALZANO: No, I don’t disagree.

MR. PHIPPS: Hi, my name is Michael Phipps. I also sit on the veteran committee that we had yesterday.

Some of the goaling now that is required to be tracked is the -- some of the contingency contracting funds. Has DOD started tracking those funds, because the 3 percent would be much -- grossly lowered if you start tracking all of the funds allocated for contracting.

CAPT. BALZANO: I’m not quite exactly following. What do you mean “contingency contracting funds?”

MR. PHIPPS: So, how money is allocated for contracting --

CAPT. BALZANO: Right.

MR. PHIPPS: -- and how you -- how you kind of goal that 3 percent --

CAPT. BALZANO: Right.

MR. PHIPPS: -- does not include all federal contracting dollars.

CAPT. BALZANO: Okay.
MR. PHIPPS: And, so, there’s a number --
there’s a huge amount of federally -- federal contracting
dollars that are not --
CAPT. BALZANO: That are for contingencies,
right.
MR. PHIPPS: -- that are for contingencies and
other -- and other areas. And some of it’s -- and State
Department --
CAPT. BALZANO: Right.
MR. PHIPPS: -- some of the local funding, you
know.
CAPT. BALZANO: Right.
MR. PHIPPS: And then we understand some of
that. Recently, I was at a USAID brief, and they are
starting to track all subcontracting goals and dollars,
even if it’s not part of that -- of that main tracking of
regular contracting funds. Is DOD starting to track some
of those funds in that manner?
CAPT. BALZANO: Well, first, I think the
goaling question is really more of an SBA question,
because we don’t really control that. But the
subcontracting that you refer to, we have -- I have been
in this job for two years, and we have been working with
the Congress. There’s a thing called the Comprehensive
Subcontracting Plan, which allows several of the large
companies to avoid reporting how they do all their
subcontracting, and we don’t have any vision into that.
Our office has been working very close with the
Congress to establish a new system. And forgive me,
because I am not a contracts person, but FPDS and another
system that track these types of numbers that you’re
talking about, we have allocated funds and we are working
with SBA, GSA, and OMB to redo that system so it can have
vision into where all these dollars are going. And I’ll
be -- I’ll be very honest, a lot of the big companies
that have been in that program are fighting very hard
preventing us from doing that. They haven’t been super
successful, but they have managed to slow us down a
considerable amount, because they don’t want it.
MS. CARSON: And Mr. Dodds is here from the
Government Contracting and Business Development. You
actually have a nameplate, if you’d like to join us.
MR. DODDS: Okay.
MS. CARSON: He’s our federal procurement --
MR. DODDS: I’ll try to answer --
CAPT. BALZANO: Maybe you can, yeah, help me on
this.
MR. DODDS: -- and help DOD a little bit here.
CAPT. BALZANO: Yeah. Bail me out here, will
you?
MR. DODDS: Right. If we include it in the goals and we change the policies, then it should ramp up, you would think. But that’s something that we all have to -- SBA and DOD and all the agencies affected -- and you know, if we’re going to make that leap we’re all onboard and do it together.

25 MR. PHIPPS: Thank you very much, Ken.

26 MS. CARSON: Anything else, Captain?

27 CAPT. BALZANO: I have nothing further.

28 MR. CARSON: Okay.

29 Tom, do you have anything --

30 MR. LENEY: Are you going to come back to the access -- TAP access?

31 MS. CARSON: Yes.

32 MR. LENEY: Okay, then I’ll wait. I have a question about the trends, but I will wait until you dive deeper into it.

33 MS. CARSON: Okay, that sounds good. I’m just going to -- I’m hoping -- we’re working on our technology at the moment. So, I’m going to move on, if it’s all right with this group, to the Federal Procurement and Contracting Program subcommittee reports.

And I’ll turn it over to you first. Is there anything else you want to talk about in that arena?

CAPT. BALZANO: No, I covered once.

MS. CARSON: I think you did everything at once.

CAPT. BALZANO: -- yeah, I’m sorry, I thought - -

MS. CARSON: That’s perfect.

CAPT. BALZANO: -- I guess I didn’t realize, but I would like to just add one thing to the gentleman who was just up here. The reporting for overseas stuff is -- that’s one element of it, but the bigger element that is difficult, and if you have worked overseas, sir, you completely understand this, we have status of forces agreements with countries when we go in to conduct operations or to be there for whatever reason, and you -- sometimes those agreements require that we use the in-country support for different things and stuff like that. So, it isn’t as -- it isn’t as clear as it may seem that, hey, let’s just find out these numbers and there’s a bunch of opportunities for our folks. It may be a fact of the matter that we just physically can’t be doing this because, you know, I was the liaison officer for the Sultan of Oman, and the Sultan, that’s his country, and we did everything that he wanted because that’s what he wanted. And we didn’t have the opportunity to put American companies in to work there, only on particular cases.

MR. PHIPPS: Agreed, agreed.

CAPT. BALZANO: So, it’s a different -- difficult nut to crack. We’d love to see it, but it’s hard.

MR. PHIPPS: And there are some contracts where the large primes really get an edge over the small businesses because of who they have on their staff, their access to government --

CAPT. BALZANO: Correct.

MR. PHIPPS: -- and so maybe just for those particular contracts that aren’t excluded we can force some of the large businesses to start engaging the small businesses or just giving some of those small -- especially the veteran-owned small businesses that access as well to those competitively competed contracts.

CAPT. BALZANO: And what was in the -- there was a -- in the NDA 14 there was a provision for training using -- using -- I’ll have to look it up, but there was a provision for training small businesses to conduct business overseas. It’s in -- it’s in the NDAA FY14, and I can’t remember -- I can’t remember the verbiage.

MR. PHIPPS: Is that the Department of Commerce?

CAPT. BALZANO: No, it was the --

MR. PHIPPS: Export?

CAPT. BALZANO: -- it’s in HASC and small business were the ones proposing it, and I remember it -- we didn’t object, we just said if that’s what you want --

MR. PHIPPS: Does DOD have any related programs?

CAPT. BALZANO: We don’t. It was a provision that allowed I think funds from the PTACs to be used for training small businesses to work --

MR. PHIPPS: Is that the Defense Initiative?

CAPT. BALZANO: I’m just going off memory right now.

MR. PHIPPS: I’ll do some research. Thank you very much. I appreciate your addressing that issue.

CAPT. BALZANO: Mm-hmm.

MS. CARSON: That’s another thing that we will look and see if we can find the information on that and share that as well with this group.

MR. PHIPPS: Thank you, sir.

MS. CARSON: We have our technology, but we can keep going on subcontracting and contracting. Turn it over to you, Tom, and we also have Ken Dodds.

MR. LENEY: Just an information item for the

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MR. DODDS: SBA has been very active in rulemaking because Congress has been very active giving us things to make rules about ever since the Jobs Act of 2010. It seems like in each National Defense Authorization Act there is more things that then we have to work on and are working on. Two of the biggest ones that came out recently, the first was issued at the end of December and it has to do with limitations on subcontracting and the performance requirements that apply to set-aside contracts.

For years, you know, we’ve had a system where you calculated based on the cost incurred for personnel. For example, for services and, you know, the same thing kind of for construction, and so Congress has changed that to a definition of amount paid, so it’s not going to be as complicated to calculate. It’s supposed to be simpler, but it will be -- it will impact how you, you know, probably do business and how things are calculated when you go to do a set-aside type contract.

The second major piece of that legislation was that you’ll be able to use similarly situated entities to help you meet those performance requirements. Right now, that’s already allowed under the SDBO, out set-aside program, and the HUBZone program. You’re allowed to -- when you’re trying to meet, let’s say, a 50 percent requirement, it can be you plus a sub for those programs. But in others, like small business, women-owned, and 8(a), you cannot use subcontractors to meet that, and that’s based on the way the statutes are written. You know, when it’s written in a way that they say the prime must do it, we apply that just to the prime, where Congress is silent, we’ve gone -- we’ve allowed the subcontractors to count towards that performance.

And, so, we think that will be helpful for purposes of teaming. Teaming is being more and more required by agencies when they’re doing these IDIQs where you really don’t know what you’re actually going to buy. They actually sometimes want to see teams, you know, sometimes they don’t. But we’ve all -- we’ve had for years rules around joint venturing, but that can be complicated. There are legal issues that can come up.

There can be -- you know, some people prefer as a business decision to do a prime/sub relationship as opposed to a joint venture. And, so, we think these rules, when they get finalized, will be very helpful for teaming.

Along those same lines, we are proposing to loosen up our joint venture rules a little bit. Right now, if two firms joint venture, we basically aggregate you and collectively you have to meet the size standard.
with that, but our rules aren’t real clear on the
procedures and what we want to happen, so we’re trying to
propose the rules to make it more clear. I mean, basically that rule says on a supply contract you have to
supply the product made by a small business. That’s the basic rule. But there are ways to get a waiver where you
can actually supply the product of a large business on
the small business set-aside if you get a waiver.

And, so, we want to make it clear, because when
you misrepresent your status you can run into trouble as
a small business, so we want to make the rules more clear
so that everybody knows whether there’s a waiver or not,
the contracting officer notifies, you know, companies
that are trying to compete and so forth.

Another area we’re trying to address is the
issue of software. You know, under our rules, if we hire
you to create software, that’s considered a service. But
there’s a lot of software that’s bought in the government
market as a commodity basically. They think of it as a supply. And, so, we’re trying to figure out when are we
going to treat software as a supply and, you know, when
are we going to create it as a service. If it’s a supply
but then there’s a lot of large business services
attached to it, maybe we won’t consider that to be, you
know, a small business -- you know, something we would do
a waiver for because there’s so many services attached.

And, so, we’re going to get comments on that and try to
figure out a way to make it more clear in the market how
the rules apply to those kind of purchases.

As I said, when the comment period closes on
April 6th, we’ll -- you know, we have to evaluate the
comments, address them in our rule, and then draft a
final rule. Then -- that usually takes, you know,
several months. It has to go to OMB for interagency
review, VA, DOD, all the agencies get to comment on it,
and then eventually we’ll come up with a final rule.

Once we do that, we send it to the FAR council.
That’s when they take it and start to actually put it
into the FAR clauses and put it into the FAR parts that
will apply. So, there’s still some time that will have to
pass before that actually gets into those clauses that
the contracting officer is going to be putting in
contracts.

So, I’m hoping that we can be done with that
sometime in the fall. You know, it’s -- a lot of it’s
outside of our control in terms of rulemaking.

The second major rule we issued was the
mentor/protegee proposed rule. You know, back in the ‘90s, 1998, SBA created a mentor/protegee program for the
8(a) program. It allows, if you’re an 8(a) participant,
you’re allowed to have a mentor, if approved by SBA, and
then you get to joint venture basically as a small business, even if your mentor may happen to be large.

There’s rule around what it means to be a protegee, you know, you kind of have to be in the
beginning of the program or not received a lot of contracts. There are rules around, you know, how you
qualify as a mentor, you have to provide assistance,
technical assistance and business development assistance
and things like that.

In the Jobs Act of 2010, Congress gave us
authority to create a similar program for the service-disabled veteran, HUBZone, and women-owned program, and so we were working on those rules and getting them ready
to go, and then in the NDA of 2013 before we got our rules done, they actually said, we’ll go ahead and allow
one for all small businesses. So, at the beginning of
February, we issued a proposed rule to try to implement this.

So, it’s a mentor/protegee program, it’s modeled on the 8(a) program, a lot of questions about
what it means to be -- how long you can be in the program. You know, for example, 8(a), you graduate after
nine years, but a service-disabled veteran company can go on, you know, forever. There’s no ending point; there’s
no graduation, unless you outgrow your size standard.

So, you know, we have to think about what kind
of firms are we going to allow be protegees. Obviously, we have to vet the protegees and the mentors to make sure
that, you know, the protegee’s actually going to benefit from this assistance. That’s the purpose of it, is to provide technical and business assistance to develop these protegees to let them compete.

The comment period on that rule goes through
April 6th. We have had requests to extend the comment period, so I can’t say right now whether we will or we won’t. But, you know, as we get closer to April 6th, we’re going to probably get more requests to extend the comment period to allow more comments. But we’ll see.

So, that’s a proposed rule. Once we get all the comments, well figure out how we’re going to do it.
Also in that rule is a requirement that we review the mentor/protegee programs of other agencies, not including DOD. DOD was specifically exempted from our review, but I think Congress wants us to decide. Right now, you know, we have the DOD program, we have the 8(a) program, and then each agency -- or a lot of agencies have created their own mentor/protegee programs. And they can be different. We don’t have a lot of information right now, so I think Congress wants us to take a look at that and

9 (Pages 33 to 36)
they’re -- women are under-represented. Congress has asked us to do a new study by January of 2016. So, we’re working right now to get that study done.

And then the last piece they threw in there was a requirement to be certified. Right now, the women-owned program is similar to our service-disabled veteran program and our small business program that we’ve always had, which is a self-certification program with, you know, a protest process behind that. The legislation talked about certification by SBA, a federal agency, a state agency, private certifiers. So, we’re going to have to figure out how we’re going to implement that. We do have some private certifiers right now that we’ve I guess contracted with or, you know, identified as a private certifier, but if we’re going to do that more in the future we’re going to have to, you know, maybe think about whether we have to open that up or what kind of monitoring we’re going to do to that, or is SBA going to actually create a certification program, similar to what we have right now for the 8(a) program and the HUBZone program.

So, those are the things that -- those are the things I think you might be interested in that we’re working on right now. And if -- I don’t know if there are any questions, maybe I can help.

MR. GATEWOOD: Thanks for the information, Ken.

MR. DODDS: You’re welcome.

MR. GATEWOOD: One thing I’m concerned about as a small business owner with the Federal Government and I’m seeing right now during a bid on a prime contract we have with one of our Federal Government agencies, but I’m also seeing this clause in most RFPs that are coming out that are going to prove possibly difficult for certain small businesses is cyber security requirements. They’re getting really tight with cyber security requirements, cyber security plans, and the fact is if -- if all of these federal governments appear to start -- to have these clauses for a requirement for a cyber security plan, and basically what that means is the small business will be responsible for the protection of any and all information that’s going over electronic means, all of it.

You know, we have small businesses out here that don’t know anything about IT, that, you know, some of them are just getting symptoms in place to communicate with one another. And, you know, there’s an opportunity here for some trouble or problems for our small businesses that aren’t attuned to cyber security and what it’s all about, but you have to have a cyber security plan and show how you are going to definitely protect all
communications going to and from.

The clause we have in this one agency we have now, that even includes emails to and from the contracting officer that address modifications to the contract, information about amendments to the statement of work and so forth and so on. I had gone with Major -- with Major Clark to a GSA meeting late last year, and GSA was addressing this, as well. Is SBA looking into this and see how this is going to impact small businesses?

MR. GATEWOOD: Great. I’d appreciate that.

Mr. DODDS: Not -- I haven’t heard specifically. We may be. You know, obviously that’s a huge issue right now in private sector and the government, as well, cyber security. It may be a situation where -- I don’t know that we have rules right now around -- like these clauses, I’m assuming they’re kind of created by the agency as opposed to specific FAR clauses, but I haven’t --

MR. GATEWOOD: I’ll -- if you’ll give me your email address, I’ll send you the clauses right out of these RFPs, Ken.

MR. DODDS: It may be that we need, you know, standards and guidance, either in the FAR or outside of it.

MR. GATEWOOD: Yeah. And Advocacy is aware of it, as well.

MR. DODDS: And it may be that we need, you know, training to make sure that, you know, if these are going to be the requirements, make sure our small businesses know that they’re out there and are prepared to do it, because it’s probably not something you can do overnight.

MR. GATEWOOD: Well, absolutely. Most of us will have to go out and hire consultants.

MR. DODDS: Mm-hm.

MR. GATEWOOD: And put a plan in place.

CAPT. BALZANO: Sir, DOD, we -- our office has an effort for this very subject. We’re aware of it. We’re working towards a training program and stuff to help our small businesses understand how to protect their information, because it’s ultimately our information, as well, so...

MR. GATEWOOD: Right, but, you know, the government has a stipulated minimal threshold of security. What threshold do you have to have in terms of -- in terms of security? You know, what do you have to have in place? And it would be nice for small businesses to know that before we get in trouble.

MR. DODDS: Yeah, I’ll let, you know, other folks at SBA on my team know about this issue and see what -- see what’s going on out there in the field.
MR. LENEY: -- to make the final determination.

So, we use contractors --

MR. GATEWOOD: Yeah, we know you do, Tom.

MR. LENEY: Yeah, for research and analysis and that -- but I want to be crystal-clear here, we do not outsource the verification to contractors, the decision.

MR. GATEWOOD: The adjudication is done by --

MR. LENEY: The -- yes.

MS. CARSON: May I ask, who joined on the line, please?

(Unidentified Male): The few, the proud, the Marines, Wayne.

MS. CARSON: Are there any more questions on procurement?

(Capt. Balzano): No, but he reminded me, it’s NDA 15 that has that training, not 14. I misspoke.

MS. CARSON: Can you say again the training for the --

CAPT. BALZANO: The training for the small --

small businesses doing work overseas.

MS. CARSON: Great.

CAPT. BALZANO: Is that division, women-owned, with the women-owned, so it’s NDA FY15.

MS. CARSON: Thank you.

MR. DODDS: We could probably get that to you, if you want.

MS. CARSON: Good, just want to make sure we can all hear. That’s perfect. Thank you so much, sir.

All right, and we do have some slides, so I’m going to go to those now and ask Selah Rhodes to join me from our team at the Office of Veterans Business Development to talk a bit about lending data. And I want to set expectations on where we are. Our program office, we are not part of cap access, nor do we have someone from that team on ours, but we are working much closer with them, and I’m very grateful for the support that Capital Access has given to us as we begin to explore the finer details of what’s going on in veteran lending.

So, today, what we’re sharing is just the first few steps. It’s not going to show you in great detail -- well, not at all -- we’re just going to focus on vet. In June, we will show you vet compared to all other populations that are getting SBA-backed or guaranteed loans. So, Selah, may I turn it over to you? And for those of you who don’t have slides, as I said, if you have sent your email, then we will get it to you, the presentation. It’s behind you and very small in front of you, as well.

Want to use mine? It doesn’t have numbers on it. Okay, ready?

MS. MUN-RHODES: Thanks for having me. As Barb mentioned, just a high level review, what we’re doing right now is we’re taking a look at not just a snapshot of one fiscal year but trying to accumulate the trends from Fiscal Year 2009 to Fiscal Year 2015. So, the data we’re showing you here right now is as of the end of Q1 2015. And then some of the trends just really go to 2014 so you can see a full picture.

This first slide shows you two different ways of looking at the information we have. We’re able to collect the number of loans, but we’re also able to collect the dollar size of each of those loans. And, so, we’re just trying to take multiple points of view. So, if you look at the left side, what we’re seeing is if you look at loan numbers, a majority of the loans, as Barb mentioned earlier, are below the 350,000 threshold. So, 64 percent of veteran SBA loans were below $150,000. On the contrary, if you look at the dollar side, on the right side, we’re seeing that 53 percent alone are in the 350,000-plus to 2 million range. And 18 percent are over the 2 million range. So, what this is showing us is that veterans are successful at getting higher-dollar loans, depending on their type of business and their background on the application. So, we want to make sure to have a diverse view and not just segment veterans in the smaller loan category.

Any questions on this first slide? Okay.

The next slide, what we tried to do was show just like an initial segmentation of the industries of veteran loans. And just a point of clarification, when we’re saying veteran loans, we’re saying that a veteran is going and applying for an SBA loan and then they are self-submitting that they are a veteran. It’s not a mandatory field at this time. We’re working on providing further transparency. So, this would be for folks that specifically stated that they were a veteran.

So, what this slide shows is if you look at the number of loans, across FY09 to FY14, each of those blue bars is a fiscal year. So, we’re seeing a consistent trend, relatively speaking, on the top six NAICS code kind of industry sectors. We’re looking at construction; retail trade; professional, scientific, and technical services; manufacturing; accommodation and food services; and healthcare and social assistance.

So, you can see that there is some variance from year to year, and across the board after 2011, the amount of loans and number of loans being given out,
there was a significant decrease across. So, even in
looking at that, we’re trying to pinpoint areas of
potential outreach. You know, whether they be the lower
tier or the higher tier, but also areas where we can
start to train, you know, via Boots to Business and other
methods, of where veterans are getting loans in what
industries.

Any questions on this slide? Sure.

MR. GATEWOOD: You got that right, Tom.
MS. MUN-RHODES: And for sure, you know, we
will defer to Capital Access for some of the kind of
validation of what these visuals are presenting, and when
we come back in May we’ll be able to show you kind of the
trends. I can tell you at a high level that it sort of
depends on the loan program, so SBA has several loan
programs, the 7A program has kind of the higher dollar
value loans, and they may not necessarily be trending
down as significantly as, say, micro loans or 504 loans.
So, we’re trying to do a segmentation, because the trends
actually differ across different loan programs.

MR. LENEY: If you could, I think it would be
very helpful for the task force and the people who attend
if we could dive into this a little bit just because it’s
so important, and sometimes as you try to go and dig into
the loan programs the data is not as clear as it’s being
presented here. I really appreciate the work that you
guys have done, but this does raise a lot of questions
that we will be, you know, people will be looking to us
for answers on.

MS. MUN-RHODES: Sure.

MS. CARSON: We absolutely agree that this
needs a deeper analysis, so as I said, this is the first
step. I think this is the most transparency you’ve had -

MR. LENEY: Absolutely.

MS. CARSON: -- into what is going on in
veteran access to capital ever, so you can understand
what we are -- it’s going to grow in momentum, but we
absolutely owe you more information in June.

MR. LENEY: This is a great start. Thank you
for taking this on, because it is an issue, I think, for
a lot of veteran-owned small businesses, and anything we
can do to help them and target this better would be
great.

MS. CARSON: Yes. And we will move on in a
moment, but one other challenge that we have, and many
federal agencies come up against this is our forms and
what we can gather is also inferior for providing a full
picture of what really is happening. So, having a
veteran status be an optional item, for example, on our
forms, that is a major challenge. I can’t tell you that
I can see the entire picture. I can only say that those
who chose to include their veteran status, this is how
it’s performing.

We’re also seeing that apparently our outreach
maybe is not as robust as it could be because veterans,
when they have an opportunity to take on one of the
incentives that we have for a reduction in fees aren’t
identifying as a veteran and miss that opportunity.

MR. LENEY: Yeah.

MS. CARSON: That’s -- I apologize for the
noise. We’ll try and resolve that.

MR. GATEWOOD: Hey, Tom, you know, it’s been
(off microphone) I don’t -- I know for me, I don’t know
about a lot of you folks who are in business, but what
I’m seeing is less and less new procurements that are
coming out because of budget issues that are affecting
the government across the government. For instance, two
of our major prime contracts, which are million-dollar
contracts, we’ve had extensions on one for 18 months.
So, I have less of a need for capital.

And, you know, a lot of these people that have
already gotten funded and gotten their first huge
contract or large contract are now in a place where
capital is available to them. They’ve got cash flow.
So, as less opportunities come down because there’s less
spending in terms of budgetary constraints, there’s less
of a need for capital. I know for me now I’m seeing
stuff that’s just being extended and extended and
extended. Until these procurements come about, you’re
not going to need to apply for a line of credit or for
this or that. And to me, that’s -- that’s the cause of a
lot of it.

MR. LENEY: I think -- not to belabor this, but
I think as you go forward and dig into this, I believe
this has -- deals with a lot of lending that’s not to
people who want to be government contractors; it’s people
who are starting, you know, part of the $3 million
businesses of which 99 percent have no business with the
government. But I just -- I applaud what you guys are
starting to do, and it would be interesting to know if
it’s something as mundane as veterans aren’t checking the
block, and that could be something we can put in our --
you know, collectively put in our outreach to remind vets
often. Unfortunately, oftentimes it’s the mundane that
drives things, not some grand policy change.

MR. GATEWOOD: The other thing is, too, you
have organizations like street shares that are out there
now.

MR. LENEY: Yeah.

MR. GATEWOOD: They just got $200 million. I
put it in the news last night in my newsletter, and
that’s an amazing organization what they’re doing for
service-disabled vets, vet access to capital. It’s just
amazing. And I think you have a lot of entrepreneurs and
former vets that are coming out and starting these
organizations so it’s making cash available to our peers.
And they don’t have to go to the Federal Government.

MR. LENEY: That would be great. That would be
fantastic.

MS. CARSON: Thank you very much, Mr. Gatewood.
We will share with our interagency partners all

that we have here, even before the next meeting, so that
your insights can inform what we learn, as well. And
potentially we can find new areas to collaborate and
improve. That is one of the functions of this
interagency task force for all of us. It is our
responsibility.

Go ahead.

MS. MUN-RHODES: One question that also kind of
addresses this point is on veteran loan demand. We had
this question yesterday come up, as well. So, SBA has
told us that they can’t actually quantify the demand
versus the approval. So, once the loan is approved, then
we start tracking all the metrics tied to it. So, that’s
something that we’re looking at, because we really would
like to see what are the trends and requests for loans
and applications, not necessarily just approved loans.

MS. CARSON: And I would like to take a little
more on that point. We are working, for example, with
the FDIC on some training that they’re doing with their
banks and others that -- we have -- SBA just joined an
agreement with credit unions and trying not only to find
out what the demand is, because we rely on them to tell
us when a vet has come and been turned down and didn’t
make it to a point where SBA is even tracking, and also
to provide technical assistance. We’re really like to be

number of the loans.

The left side of the chart is showing you
existing businesses; and then the right side of the chart
is showing you new businesses. So, just to avoid any
concern on 2015 since we’re just at the end of Q1, that’s
why you’ll see that it’s just a partial completion of the
year’s forecast.

So, you’ll see here that -- and just looking at
the left side, existing businesses, starting from 2011,
there is a consistent trend downwards, not necessarily
the case for new businesses from 2009 to 2015. They’ve
stayed relatively constant. We’re looking at around 500
loans a year, around 200 million in loan dollars. So,
we’re definitely looking further into this, but it was
interesting for us to see at first glance that it’s not
just startups but veteran loans are being done for well-
established businesses, as well.

Any questions on this?

MS. CARSON: Any questions on access to
capital?

MR. FIELDER: I just realized looking at the
chart for the second time since yesterday, if, in fact a
2015 number on the chart is, in fact, only one quarter,
does that clearly indicate that if you extrapolate that
over a four-quarter year that that would be a significant
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1 increase? Thank you?
2 MS. MUN-RHODES: I would think so, yes.
3 MS. CARSON: Any other questions right now?
4 Okay.
5 Let’s see. I think to keep us -- we are unique
6 in SBA, the Office of Veterans Business Development, that
7 we have the word “promote,” is something that we do have
8 the latitude to do. That is different than outreach, so
9 we can actually have a print ad campaign. So, we are
10 trying to do more outreach.
11 (Interruption from teleconferencing service)
12 MS. CARSON: Is Department of the Treasury on
13 the line? Is Department of Treasury on the line?
14 (No response)
15 MS. CARSON: No. Okay, is American Legion on
16 the phone? No.
17 UNIDENTIFIED MALE: Anyone? Anyone? Bueller?
18 MS. CARSON: Nobody’s on the line.
19 Okay, thanks for trying to connect us. All
20 right.
21 So, this slide was a little bit out of order,
22 but I just wanted you to see that we are reaching a much
23 wider and broader audience than we had been able to in
24 the past. We are working -- the small seal on the left
25 is Department of Defense, the transition assistance.

58

1 They’ve given us quite a lift with reaching our overseas
2 service members and spouses through AFN and other
3 channels, and we’re very grateful for that support.
4 This ad, the first appearance of it, is right
5 now in the Military Times Family of magazines, and we
6 look forward to seeing what the conversion is. If people
7 hear about it, are they going to be taking it up. So,
8 again, working through the data and figuring out why we
9 see certain trends, this is one way that we’re going
10 after it by looking at our outreach.
11 Okay. And moving over to another section of
12 our agenda to talk about the coordination of federal
13 support, and it may be lightly discussed today. I don’t
14 have American Legion here today, and Mr. Jim Willfong is
15 unable to join us. Is there anyone else who’s come on
16 their behalf here?
17 Okay. I would like to say SBA has been working
18 with American Legion very closely for a long time, and
19 most recently we were invited to participate in a
20 national conference and to talk specifically about what’s
21 going on with veteran small business. A very engaged
22 group and definitely not afraid to give candid feedback,
23 and I’m grateful for that. It’s made a significant
24 impact on how we reach veterans and what we’re able to
25 do, because we shouldn’t be doing things for the sake of

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<td>tool that was -- came about by an executive order from</td>
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<td>the President to actually try and help improve the</td>
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<td>landscape for veteran business owners, it’s hard to see</td>
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<td>ever see them? Who -- where did they go?</td>
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<td>And, then, to not have any recommendations made</td>
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<td>after two years of work, we’re meeting here for two more</td>
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<td>The other thing, too, as we go into this year,</td>
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<td>what are the goals and objectives of the task force for</td>
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<td>that’s going to be some follow-up on any of those things.</td>
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<td>recommendations, then how does anything ever get to</td>
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<td>improve in the veterans community, in the business</td>
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<td>community?</td>
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<td>So, I mean, if this is going to be an effective</td>
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<td>Whether to take that across the whole Federal Government</td>
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<td>with regard to certifying veteran business owners. I’m</td>
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<td>not sure where that discussion is with regard to input</td>
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<td>from this task force, right?</td>
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<td>We talked about, you know, DOL training</td>
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<td>opportunities to increase the number of veteran-owned</td>
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<td>businesses because the more businesses we have the more</td>
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<td>likely they are to hire more veterans, you know, tackling</td>
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<td>that employment issue. Not sure where that is at the</td>
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<td>moment in terms of, you know, increasing that pool of</td>
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<td>veterans seeking employment.</td>
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<td>So, those were just -- those were just some of</td>
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<td>the concerns I was, you know, asked to bring forward</td>
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<td>today. And that’s it for the moment. Thank you.</td>
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<td>MS. CARSON: I thank you for bringing this up</td>
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<td>again, and I am disappointed that you have to bring it up</td>
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<td>every time, because I would like to see us do better. I</td>
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<td>absolutely take responsibility for the reports. SBA is</td>
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<td>the lead in compiling all the members’ input, and if we</td>
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<td>can’t get it, then that’s on me. So, we are working on</td>
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<td>that, but I am disappointed that we can’t show what we</td>
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<td>have done, because -- and if I could, I think that you’re</td>
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<td>right, that holding -- having a report makes us</td>
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<td>accountable because we actually set goals and we can say</td>
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<td>whether we met the mark or we didn’t.</td>
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It gives a chance, also, for those of us who are in this room to do a better job of reaching out and explaining what we’re doing, and that is what we’re -- if I’m complaining that I am not able to get participation in my programs, wouldn’t it be helpful if I had a report to stand behind that says exactly what each agency is doing about it?

So, I agree with you that the reports absolutely need to be done and they are important. I didn’t want you to leave the table. Welcome back. Comment --

MS. CARSON: Sure.

MR. WYNN: -- because I just want to make something clear, too, because we were discussing this the other day. This task force was originally headed up by the SBA deputy administrator.

MS. CARSON: Yes.

MR. WYNN: So, we understand that it was not the responsibility of the SBA Office of Veterans Business Development to even manage this task force, so you -- hopefully, you -- I wouldn’t want you to take that as something that you should have been responsible for. You may feel that way now, but we’re not looking at it that way. First of all, where’s the deputy administrator?

Why has that been such a gap in the time since Marie Johns left? See, we’re concerned about that. If this administration is truly concerned and committed to the well-being and growth of veteran businesses in this country, why is that been such a gap? There’s been no replacement since she left, and it’s almost two years now. So, you know, that’s the bigger concern. And we realize that the deputy administrator was truly the chair of this task force.

MS. CARSON: Yes.

MR. WYNN: But, again, I mention the members of the task force have a personal responsibility to report.

MS. CARSON: Yes.

MR. WYNN: So, you know, who finally compiles the report, that’s a different matter, but the individual task force members, I think, should be personally responsible for providing the input for that report.

Thank you.

MS. CARSON: Thank you. Thank you, Joe.

MR. WYNN: Okay.

MR. PHIPPS: Barbara, can I say --

MS. CARSON: Please.

MR. PHIPPS: Michael Phipps. Does the task force have a public website like the veteran committees? Is there a public website? I mean, this is a public forum, so is there a website that produces or promotes or shows information about this task force?

MS. CARSON: I can speak for SBA that on our website we provide the minutes, and that is what is the body of work of this group. And any annual reports that are posted are posted on SBA. And I don’t know whether any other agency has put anything to do with the interagency task force on their own websites.

MR. PHIPPS: DOD’s represented, VA’s represented. I would like to see on the website all the organizations that are --

MS. WOLEK: Can you hear me now?

MS. CARSON: Yes, I can.

MS. WOLEK: Oh, great.

MR. PHIPPS: Now they’re chiming in.

MS. WOLEK: Hello, everybody, this is Sarah Wolek from Treasury. I unfortunately can’t be there in person. I broke my foot so I’m calling in and I hope to be there next time. I think we were just having technical difficulties earlier on. Barbara, is this a good time to talk to the group, or should I wait?

MR. PHIPPS: I’ll just -- my comment’s really quick.

MS. CARSON: Just one moment, we’re just finishing a comment. And if you can’t hear the speaker right now, let me know.

Go ahead.

MS. WOLEK: Yeah, it’s a little bit difficult. I was just trying to find a good time to (inaudible) everybody. Just let me know when it is, and I’ll jump in --

MS. CARSON: Okay, thank you.

MR. PHIPPS: We would like the SBA to post on their website everybody who attended the meeting in person, everybody who called in and was around for a roll call, and that way there’s a public record for who’s supporting the interagency and who’s not, and eventually that has to go into the report and to the White House. Thank you.

MS. CARSON: Thanks for that input. I will see what latitude we have on what we can say about who attended. I can understand that there are agencies, we can say which agencies were represented.

MR. PHIPPS: Sure.

MS. CARSON: But I don’t want to put -- just in case any of you didn’t want someone to know you were at the interagency task force meeting, whether I can share that.

I would like to turn it over to Department of Treasury now. Thank you.
MS. WOLEK: Thanks so much, and apologies for
again not being there in person. I hope to be there on
the next quarterly meeting.
I just want to update the group in terms of
some outreach that we’ve planned that we’re very excited
about. We hold an annual conference in regard to state
small business credit initiative, which our team at
Treasury runs the program -- well, you know, it came out
of the Jobs Act and if you guys are familiar with it, I
don’t want to delve into it very deeply, but essentially
it is a program where Treasury is providing funding to
state economic development agencies and (inaudible) state
and small businesses to be able to -- we’re instructing
them and come out of the recession.
As a result of the program, one of the -- one
of the annual sort of meetings that we do brings in all
of state managers from across the country --
MS. CARSON: Can you -- we’re having trouble
hearing you. Are you on a cell phone?
MS. WOLEK: I am actually on a cell phone.
MS. CARSON: Okay, can you just say who was
brought together by that, and we’ll try to get a cleaner
-- go ahead.
MS. WOLEK: Okay. And I can speak more slowly,
and maybe that will help. So, this annual conference is
in support of the state small business credit initiative,
which is a program that has provided funding to economic
development agencies and venture capital firms within
three states throughout the country. In this annual
conference, the state program managers have come to
attend, share past best practices, sort of learn, you
know, provide (inaudible) resources on implementation and
so forth.
And it’s just a great event where most of the -
- most of the participants in this program are in one
place and it’s a great way to share information. And
that was a vehicle that we hoped to use, and this is
upcoming in May to identify by, you know, veteran small
business and -- and provide information to the
(inaudible) and provide that outreach. It’s just a
community and it’s very (inaudible) to highlight this
issue.
So, that is what we have upcoming planned, and
I just wanted to share that with the group.
MS. CARSON: Thanks for the update on outreach.
Is there anything else you wanted to cover in the event?
MS. WOLEK: No, at this stage, no, that’s all I
wanted to bring to our group’s attention. I think that’s
the biggest outreach platform that we have for the
program anytime of the year, so we wanted to make sure
that that’s an opportunity that we avail and we will
report back in our next meeting as to how that went and,
you know, share more information with you once we’ve had
that event.
MS. CARSON: Thank you. And I also promised
that in June we could get an update from Treasury small
business lending fund and potentially another subject
that I will follow up with you on shortly.
MS. WOLEK: Yes, sounds good.
MS. CARSON: Okay, thank you.
Mr. Leney, I don’t want to put us on the spot
together, so I’ll go under the bus with you, but I would
love to talk about what you and I are going to do
together later this year, if you wouldn’t mind.
MR. LENEY: Oh, sure. As many of you are
aware, we do an annual veteran small business engagement,
and we are now working with the SBA formally to combine
that engagement with the SBA’s Veterans Small Business
Week, and so we’re going to be partnering together to
hopefully improve the experience at the national
engagement. We are expecting to do it in November so we
can link it. We’re not going to step on Veterans Day,
obviously, but we’re shooting for I think the week before
Veterans Day.
And the SBA, I think very appropriately, has
agreed to sort of take on the training and learning
dimension of that so that the VA and other federal
agencies can focus on what we believe to be central to
that effort, which is direct access to opportunities.
So, we are excited about working with the SBA actively on
that event, and then we seek to expand that to some of
our other direct access events, because we believe that
the SBA is uniquely and best situated to provide the kind
of education and training that veteran entrepreneurs
need. So, it allows us to focus on the access.
MS. CARSON: Thank you. I’d also like to say
that Tom and I at the June meeting will be asking our
member agencies of this interagency task force to make a
commitment to us to support this event and its intent.
So, I would be grateful for those -- for DOD and Treasury
if you will please keep that in mind. We will be talking
about exactly how we can make this a meaningful event for
small business -- veteran-owned small business owners.
MR. GATEWOOD: Any idea where it may be held?
Region, where, state?
MR. LENEY: Yes, I expect it will be held in
the Northeast. We have a memorandum in to the Secretary
for final approval.
MS. CARSON: Okay. I believe we are ready to
wrap up, unless there are any final public questions or
MR. BLUM: I’d like to thank Barb, you and your staff, for your fresh approach to leadership and your participation in our community and the way you do participate and the transparency you’ve brought to this office. I think most, if not all of us, appreciate it and we thank you so much.

MS. CARSON: Thank you very much for that. I appreciate that. We are adjourned. We will be back the second Thursday in June.

(Whereupon, the meeting was adjourned at 10:38 a.m.)

CERTIFICATE OF COURT REPORTER

I, Linda Metcalf, do hereby certify that the foregoing transcription was reduced to typewriting via audiotapes recorded by me; that I am neither counsel for, nor related to, nor employed by any of the parties to the case in which these proceedings were transcribed; 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.

LINDA METCALF
Court Reporter
Public Meeting
Interagency Task Force on Veterans Small Business Development
3/12/2015

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