

U.S. SMALL BUSINESS ADMINISTRATION
INTERAGENCY TASK FORCE ON VETERANS'
SMALL BUSINESS DEVELOPMENT

JANUARY PUBLIC MEETING

Friday, January 20, 2012

9:09 a.m. - 11:45 a.m.

U.S. Small Business Administration
409 3rd Street, S.W., Washington, D.C. 20416
Advisory Committee on Veterans Business Affairs
2nd Floor, Eisenhower Conference Room B

TASK FORCE MEMBERS:

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William D. Elmore, Associate Administrator, Veterans Business Development, SBA

Matthew Blum, Office of Management and Budget

Jiyoung Park, Associate Administrator, Office of Small Business Utilization, Government Services Administration

Earl Peek, U.S. Department of Treasury

Tom Leney, Executive Director for Small & Veteran Business Programs, U.S. Department of Veterans Affairs

Andre Gudger, Department of Defense

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

2 CHAIRMAN JOHNS: Well, good morning.

3 We're going to call the meeting to order. And
4 I'm very happy to have a start in the first month of
5 2012 with a meeting of the Task Force on Veterans Small
6 Business Development.

7 And it's good to see a good group of people
8 with us in person, as well. So Happy New Year to
9 everyone, and we're looking forward to a full and
10 robust set of committee meetings and work this calendar
11 year, and very happy and grateful for all the hard work
12 that transpired over the course of last year.

13 And in that vein, just wanted to go through a
14 few of our accomplishments last year. And from SBA's
15 standpoint, we had a record year, with over \$30 billion
16 in lending to small businesses.

17 And for us, that was very good news. We
18 certainly are continuing to see signs of recovery in
19 terms of capital available to small businesses. We
20 know we have more work to do, and we are continuing to
21 try to fill in the gaps that we know still exist in the
22 access to capital for the small business sector.

1 Some of you may have heard that the President
2 had some big news recently about reorganization in the
3 government. He started in the economic sector, and so
4 that certainly affects us here at the SBA.

5 We are excited about the fact that Karen
6 Mills, the SBA Administrator, has been elevated to
7 cabinet status. And while she's always been at the
8 table, and small business issues have always top of
9 mind for President Obama, it is very good news for us
10 that she is formally there, and will have an even
11 larger voice in the critical discussions over the
12 months and weeks ahead.

13 Regarding the President's seeking to
14 reorganize, he has asked Congress for that approval.
15 That approval hasn't been granted to a president since
16 the mid-'80s. And so I think the President puts it
17 very well, when he says that we need a 21st-Century
18 government to address 21st-Century problems. And we're
19 just not organized sufficiently to do that.

20 So basically the proposal for reorganization
21 would cause the creation of a new entity, yet to be
22 named, that would be aligned along four pillars, if you

1 will:

2 Small Business and Economic Development;
3 Trade and Investment;
4 Technology and Innovation;
5 And Economic Statistics.

6 And so we're looking forward to the details,
7 as they emerge, and that we'll be involved in filling
8 in for this new structure. And again, small business
9 issues will be at the center of the discussion.

10 And so the relevance of this news for this
11 meeting is that it certainly is good news for veterans,
12 because veterans' entrepreneurship is a core element of
13 the SBA's agenda.

14 Also, everyone received copies of the Task
15 Force Report. And I want to thank first my colleagues
16 on the Task Force;

17 And thank you, who have been attending our
18 meetings over the course of the last fiscal year,
19 because your input was critical to us, preparing for
20 President Obama what we feel is a very strong report, a
21 very good first effort from this Task Force;

22 And we thank you again for you collaboration

1 in getting us to that point.

2 We're looking forward to building on the
3 recommendations that we've presented to the President,
4 and having a very strong year, this year.

5 Just to go over a few of the key areas from
6 the report, the report was organized around three
7 areas:

8 Increasing opportunities for growth, which, of
9 course, includes increasing the flow of capital. This
10 is an update. I mentioned that SBA had a record year
11 in lending. And we supported an all-time record of
12 more than over 4,000 loans, totalling \$1.5 billion to
13 veteran-owned small business.

14 And at the same time, we also helped deliver
15 the highest percentage of federal contracts to Service
16 Disabled Veteran Owned businesses. And that was almost
17 \$10.5 billion.

18 So those are strong numbers. And we're
19 working on building from that in this year.

20 Second, the report focused on improving and
21 expanding counseling and training services. And again,
22 an update from the SBA's standpoint, we dramatically

1 increased the number of counseling and training
2 resources available;

3 And I know Bill can speak to that a little bit
4 later. But we certainly increased our network of
5 veteran's business outreach centers across the country.

6 We also built on our innovative and notable
7 resources for entrepreneurship for veterans, our
8 entrepreneurial boot camp for veterans, and we went
9 from one to eight of the top U.S. business schools, who
10 were working with us in providing entrepreneurial
11 development specifically for veterans;

12 And we also launched last year VWISE, our
13 veterans training for women veterans.

14 And then the third part of the report was
15 focused on reducing barriers to growth and improving
16 coordination.

17 And a little later in the agenda today, we're
18 happy to welcome Tom McCrosson, who is from OMB. And
19 we're working closely with OMB and other partners in
20 the federal government, to develop a new web portal
21 Business U.S.A., that we think will be a tremendous
22 tool for veteran business owners, as well.

1 So I'm looking forward to hearing from other
2 members of the Task Force, as we get into our
3 subcommittee reports a little later in the agenda.

4 And we know very clearly that our work is not
5 done, it's just beginning. But we are counting on your
6 help to help move this process forward and tackle some
7 of the big issues that we know are still out there,
8 that we now need to address.

9 And in the vein of big issues, certification.
10 We know that that's an issue that is important to our
11 veteran business owners, it's an issue important to us.

12 And that is top of the agenda for this year,
13 that we can work together to figure out how to really
14 look at that process, retool the process, and make sure
15 that it works as effectively as possible for veteran
16 business owners.

17 All right. Before we get into the rest of the
18 agenda, I wanted to make a few announcements. I wanted
19 to acknowledge that East West have two Task Force
20 members, who will be stepping down, who were tremendous
21 contributors to the process:

22 Elizabeth O'Herrin, who represented Student

1 Veterans of America. As she said, she's no longer a
2 student; she actually completed her graduate studies.
3 And so Elizabeth is moving on, and she certainly will
4 be missed;

5 And John Garcia, who was from the Association
6 of State Directors of Veterans Affairs. John is in a
7 new role actually at the Veterans Administration, and
8 so he has left us as a member of the Task Force.

9 But both Elizabeth and John were tremendous
10 contributors to our work. And so I certainly want the
11 record to reflect our deep thanks to them for their
12 great contribution.

13 Now that means we have two openings for Task
14 Force members. So if anyone -- members of the Task
15 Force, or any members of the public -- who have
16 suggestions for candidates of the Task Force, please
17 send those nominees to Dan Jones. His e-mail is
18 Dan.Jones@SBA.gov.

19 And we are looking forward to having full
20 strength on the Task Force as soon as possible. So any
21 nominations that you have, please submit them to us as
22 soon as you can.

1 And sadly, I want to acknowledge my colleague,
2 Bill Elmore, who was our Assistant Administrator for
3 Veterans Affairs here at the SBA, has decided to move
4 to a new chapter. He is retiring, effective the end of
5 this month.

6 And I wanted to say publicly, Bill, how much I
7 have appreciated working with you in my year and a half
8 here. It has been a tremendous learning experience for
9 me. I feel proud of what I believe we've been able to
10 accomplish together. And I just thank you for your
11 many years of -- it's almost ten years -- of great
12 service here to the SBA. And you will be missed.

13 Thank you very much.

14 So please let us thank Bill Elmore.

15 (Applause.)

16 CHAIRMAN JOHNS: You're going to a very tough
17 act to follow.

18 And I'd also like to welcome two new members
19 of the Task Force. We're delighted to have Andre
20 Gudger here. Andre is the Director of the Office of
21 Small Business Programs at the Department of Defense.
22 And we are so pleased to have you as a member of the

1 Task Force.

2 And I also have to say that Linda Oliver has
3 been a tremendous contributor to this Task Force. And
4 I'm so happy, because now we have a double-barreled
5 support from the Department of Defense, and so happy
6 that Linda will still be involved.

7 And we welcome you, Andre.

8 MR. GUDGER: Thank you.

9 CHAIRMAN JOHNS: And Maria Temiquel, who is
10 the Director of Management and Budget in the Office of
11 the Assistant Secretary for Veterans Employment and
12 Training in the Department of Labor. Maria, thank you
13 for being here, and we are looking forward to your
14 contribution.

15 MS. TEMIQUEL: Thank you.

16 CHAIRMAN JOHNS: All right.

17 So now actually, I want all the other members
18 of the Task Force, who have not been introduced, just
19 to say "Good morning." And then I'll introduce our
20 first speaker.

21 Diyoung?

22 MS. PARK: Well, Good morning everyone. I'm

1 the Associate Administrator for the Office of Small
2 Business at the General Services Administration,
3 Jiyoung Park.

4 MR. PEEK: Good morning. I'm the Senior
5 Policy Advisor of Small Business Housing and Community
6 Development, U.S. Treasury. Good morning, and I'm glad
7 to be here.

8 MR. LENEY: Tom Leney. I'm Director of Small &
9 Veteran Business Programs with the VA.

10 MR. BLUM: Matthew Blum. I'm the Associate
11 Administrator at the Office of Federal Procurement
12 Policy and the Office of Management and Budget.

13 CHAIRMAN JOHNS: Okay. Thank you.

14 Now it's my pleasure to introduce my
15 colleague, here at the SBA, John Shoraka, who is
16 actually our new Acting Associate Administrator for
17 Government Contracting and Business Development.

18 But John is not new to the SBA. He served
19 ably as our Region III Regional Administrator. And he
20 also has a great deal of experience in small business
21 contracting.

22 So he's here at headquarters.

1 Joe Jordan, who served in the role of the our
2 AA for government contracting in business development.
3 has moved on. And we're delighted he's in the role
4 now. And we welcome you this morning.

5 Since so much of our work revolves around
6 contracting, we thought that it would be very good to
7 hear from John and get an update from him.

8 So welcome.

9 MR. SHORAKA: Thank you, Marie.

10 First of all, I know I have some big shoes to
11 fill with Joe Jordan leaving. And I appreciate the
12 confidence.

13 I was Regional Administrator. I was appointed
14 about a year ago to the SBA. And in capacity, I had
15 the great opportunity -- and I think Marie mentions
16 this often -- is that when you're in the field, you get
17 the opportunity to meet with our small businesses.

18 And I had the great opportunity to meet with a
19 lot of small businesses, in general, but a lot of
20 veteran-owned businesses, in particular.

21 And it's very inspiring to see the work they
22 do and the accomplishments they've made.

1 One thing that I won't forget very soon is an
2 opportunity I had to visit with Azimuth with our
3 Administrator, Karen Mills, which was a very neat
4 opportunity; because at the end of the visit, Karen
5 drove around in an off-road vehicle, through the
6 parking lot and also into the ditches, and so forth.
7 And that was really fun.

8 But what it really put a light on is the
9 accomplishments that have been achieved by the small
10 business community and the veteran-owned businesses.

11 So having said that, you know, I had the
12 experience in the field; before that, I worked as a
13 small business contractor. It was a family-owned
14 business.

15 But it was a strange sort of mom-and-pop's,
16 because we did government contracting. And I was very
17 familiar with the government contracting role.

18 I did that for over 20 years.

19 With one of the other hats I wore, I was
20 chairman of the association that represented small
21 business government contractors; and in that context,
22 oftentimes, was here at the SBA under the previous

1 administration, sort of advocating for small business
2 government contracting.

3 So it's sort of interesting now to be on the
4 other side of that table.

5 I thought, if I can have a couple of minutes,
6 sort of do a quick update on sort of what's been going
7 on with regards to government contracting, and maybe a
8 little bit of an update on the hearing we recently had
9 with the House Armed Services Committee.

10 So the House Armed Services Committee has a
11 bipartisan panel on challenges with government
12 contracting with the DOD. And they have been visiting
13 across the country, either through round tables, or
14 holding testimony and sessions at the committee.

15 And you know, there obviously are challenges
16 in government contracting in general for small
17 businesses. And you know, the unique procurement
18 systems at the Department of Defense, and the unique
19 procurement mix that the Department of Defense has can
20 be a challenge.

21 But, you know, one thing that we were able to
22 sort of shine a lot on is the great strides that this

1 administration, this SBA, and the DOD have made over
2 the last couple of years.

3 And I was very happy to meet Andre a couple of
4 weeks after I came on Board. And although I was not
5 here during the time last year, I am aware of the great
6 strides that our partnership with Andre's team
7 achieved.

8 And you know, it was unprecedented at sort of
9 high-level participation, from the Secretary of Defense
10 himself writing to all the acquisitions officials,
11 pointing out the importance of small business
12 procurement.

13 And that was a great partnership that we
14 developed over last year, and we look forward to
15 engaging with you again on that and also to grow in
16 that partnership, and to sort of effect small business
17 procurement, both at the DOD -- but that's an excellent
18 example of how that participation can work across all
19 federal agencies, as an excellent sort of best
20 practice.

21 So we're very thankful for that cooperation.

22 The other thing I just wanted to touch base on

1 that sort of became evident at the hearing is: There's
2 a lot of provisions from the Small Business Jobs Act,
3 which are hot issues that come out in these hearings.

4 We heard a lot about contract bundling, as an
5 example.

6 But you know, what may not be apparent to a
7 lot of folks is that a lot of the provisions in the
8 small business jobs act address some of the issues that
9 are being raised currently.

10 Bundling was an issue that is addressed in the
11 Small Business Jobs Act. It makes it much more
12 difficult for federal agencies to bundle, and there's
13 justifications required for bundling.

14 Another issue was parody. Parody was
15 addressed in the Small Business Jobs Act, giving
16 contracting officers the clarity, you know, to have
17 freedom to choose from any of our small business
18 set-aside programs.

19 So that, you know, puts the veteran-owned
20 disabled program on the same level footing as other
21 programs, which was a great achievement.

22 There are other provisions with regards to

1 subcontracting and making sure that prime contractors
2 stay on line, and follow their own subcontracting
3 plans, which is very helpful for subcontractors.

4 We hear all the time that subcontractors don't
5 necessarily get what they've been promised.

6 So there are a lot of provisions, and I won't
7 get into the weeds on those. But the Small Business
8 Jobs Act, we're working to roll out all those
9 provisions. There are very many important provisions
10 that are very helpful to small businesses in general,
11 but to service-disabled veteran-owned companies, in
12 particular.

13 So we look forward to rolling those out, and
14 obviously staying in touch with the committee, as we
15 roll those things out.

16 Thank you for the opportunity.

17 CHAIRMAN JOHNS: Okay, thank you, John.

18 All right. Next we have Andre Gudger, who is
19 going to give us an overview of the Veterans
20 Administration Department of Defense Task Force.

21 MR. GUDGER: Thank you, Marie.

22 Well, the new director is not so new any more.

1 And I had the pleasure of sitting on the DODVA led Task
2 Force back in August. The President announced a need
3 for a Task Force to tackle veterans' unemployment.
4 It's twice the national average, and it quite frankly
5 shouldn't be.

6 We should be doing things about it.

7 So our Task Force stood up. And I'd be remiss
8 if I didn't introduce my co-lead over here, Tom Leney.
9 He's co-leading the Entrepreneurship Subcommittee with
10 me on the Task Force.

11 And the Task Force is a good one. It's
12 looking strictly at: How can we reduce unemployment
13 for veterans.

14 But also it's another side to it that appears
15 to be the same, but not quite. And that is: How do we
16 create jobs?

17 And if you want to create jobs, the Department
18 of Defense is a major contributor to the creation of
19 jobs, what we're doing, reducing barriers and making
20 things easier for small businesses.

21 And it's fortuitous for me, because just about
22 ten months ago, I was in industry. I had my own

1 company. And so I was very familiar with the barriers
2 that stopped us from creating more jobs, or the lack of
3 confidence that I may have had as a business owner.

4 So I brought a lot of that into what we
5 recommended to our sub-group. And in fact, we have
6 taken a quantum leap in the right direction by leaning
7 forward.

8 I think we took the President's advice
9 seriously with making strong recommendations. And that
10 is: How do we solve the 21st-Century problems with
11 21st-Century answers and not 20th-Century answers?

12 And Tom and Bill, who have actually been very
13 strong contributors in our group, we've been looking at
14 creative ways to help the young men and women, the
15 millions that are coming back from being deployed, help
16 them gain employment on day one, not day one hundred,
17 you know, not two years later, but one day one, they're
18 ready.

19 And so the Task Force is broken up into four
20 groups:

21 There's an Education subcommittee, an
22 Entrepreneurship subcommittee, there's Education, and

1 there is Transition.

2 And those are the four groups. And --

3 CHAIRMAN JOHNS: I'm sorry, Andre. You said
4 education, entrepreneurship --

5 MR. GUDGER: Oh, employment. Employment.

6 CHAIRMAN JOHNS: Okay. Education,
7 Entrepreneurship, Employment, and Transition.

8 MR. GUDGER: And Transition.

9 CHAIRMAN JOHNS: Okay. Thank you.

10 MR. GUDGER: And all of the groups work
11 closely together. I mean, we go on to these week-long
12 offsites, and we share this information.

13 So it's not to, you know, do it in a vacuum,
14 it's a cohesive approach. And in addition to that, we
15 took the results of the recommendations from this
16 subcommittee and said:

17 "Hey, there are good things in this
18 recommendation, so we should be looking at what's
19 currently going on in the other veterans' subcommittee,
20 so that we can stand behind it, and do things quicker,
21 faster, and kind of again reduce barriers. Let's not
22 take such a long cycle time to getting things done."

1 And so it's a pleasure for me to sit on this
2 Task Force, as well, so that we can continue to share
3 synergy.

4 There's no question when you have members from
5 both Task Forces involved across the boundaries, it's
6 going to create synergies that we wouldn't normally
7 get.

8 And from that, we get great ideas. We've
9 invited in outside folks. We've worked with some to
10 universities throughout the country.

11 We've worked with industry. We're trying to
12 hit a best idea, so we can implement them, and make
13 recommendations.

14 And so our Task Force is still going on. We
15 haven't gotten to the recommendation stage at this
16 time; but we have produced a draft that both the
17 Secretary of Defense and the Secretary of the VA have
18 viewed and signed off to go in to the President. And
19 he's currently viewing it.

20 And so we hope to have some good news in the
21 forthcoming weeks with our Task Force and the
22 recommendations that we've made. So.

1 CHAIRMAN JOHNS: Okay. Great. Thank you.

2 Tom, anything to add?

3 MR. LENEY: No. Except to note that many of
4 the recommendations coming out of the DODVA Task Force
5 support and mirror the recommendations for this Task
6 Force.

7 So what we seem to do is stand on the
8 shoulders of this group, and reinforce it with the
9 weight and the support of the Secretary of Defense and
10 the Secretary of the VA.

11 So the work that was done here has been very
12 important is sort of laying the path.

13 CHAIRMAN JOHNS: That's good.

14 MR. LENEY: And what we hope to do with that
15 Task Force on Veteran Employment is push forward faster
16 and harder.

17 CHAIRMAN JOHNS: Great. Well, we'll look
18 forward to hearing more about how we can connect the
19 work and do just that, move faster in the very near
20 future.

21 Okay. Thank you, both.

22 Now Tim McCrosson from OMB, welcome.

1 MR. MCCROSSON: Thank you.

2 CHAIRMAN JOHNS: You're going to give us an
3 update on Business USA. Tell us what it is, and how
4 it's going to help our veterans.

5 MR. MCCROSSON: Well, first of all, let me say
6 thank you for inviting me to this meeting.

7 CHAIRMAN JOHNS: Yes.

8 MR. MCCROSSON: It's a real pleasure for me to
9 be here.

10 CHAIRMAN JOHNS: I'm happy that you're here.
11 And right before you begin, I also want to acknowledge
12 my colleague, Dan Jones, and his work with you on
13 Business USA. Dan's been very supportive of this Task
14 Force as well.

15 MR. MCCROSSON: And Dan's been instrumental.

16 CHAIRMAN JOHNS: Mm-hmm.

17 MR. MCCROSSON: As many of you know, on
18 October 28th, the Present signed a memorandum,
19 essentially saying that it's complicated for the
20 regular business owner to try to connect with the
21 programs and services that the government has to offer.

22 Essentially, as a business owner, you have to

1 understand how the government is organized to identify
2 and get to the programs and services that are right for
3 you.

4 And we reject that idea, that notion. You
5 shouldn't have to understand how the government is set
6 up, in order to connect to the programs and services.

7 And so I'll go ahead.

8 What we saw last Friday -- and forgive me, I
9 hope that I'm not breaking too many customs here by
10 putting together a slide show -- but what we saw last
11 Friday was the President --

12 CHAIRMAN JOHNS: Can everyone see okay? I
13 hope I'm not blocking anyone's view.

14 MR. MCCROSSON: Was the President, introducing
15 us, asking Congress for the authority that previous
16 presidents have had to organize the executive sector of
17 the government in a manner that he thinks is
18 streamlined and is going to be able to deliver value.

19 He also identified -- if you would go ahead to
20 the next slide -- the myriad of network of services,
21 programs, call numbers, websites that we have grown up
22 with over the last 20 years.

1 And so it's complicated, even for us federal
2 employees to try to navigate this network. Imagine how
3 complicated it is for the regular taxpayer out there.

4 So going to the next slide.

5 His challenge to us back on October 28th is to
6 really take a look at this and figure out a way
7 forward.

8 Now I'm going to let the President take
9 care of the organizing the one-department part. But in
10 terms of one website and one hotline, yeah, Business
11 USA, that's what we've been working towards.

12 Okay.

13 And actually in conversations before this
14 meeting, there have been other groups of people who
15 have been working towards this goal. Here in SBA, we
16 have SBA Direct. At the Department of Commerce, we
17 Commerce Connect. We also have Export.gov.

18 Each of these programs, each of these products
19 is essentially working towards that goal of breaking
20 down those traditional barriers, breaking down the
21 government stove pipes, and connecting all the programs
22 together, that the problem that each of these has

1 always suffered from is that none of them has been a
2 center of gravity.

3 And that's what Steve Van Roekel has really
4 pushing here, is that we need to create a center of
5 gravity that becomes the defacto starting place for all
6 of this content.

7 And so that's why we're locating Business USA
8 on the USA.gov platform.

9 What you'll see here is an indication of what
10 we're proposing to deliver with this 90-day initial
11 product.

12 Now one of the things that's really remarkable
13 about this program, the Business USA program, we're not
14 going to go and work for a year or two years, to
15 develop a solution.

16 The President communicated to us a sense of
17 urgency in this matter. We can't wait. The economy
18 can't wait. We have to do something now.

19 And so we're proposing. This is the first
20 that I have ever seen a president launch a product in
21 Beta mode. And so I think that's unique and somewhat
22 remarkable.

1 But what we're proposing to deliver next week
2 is a resource finder that allows people to connect to
3 programs, services, and data across all of the federal
4 organizations that have businesses as an audience, that
5 support businesses and business development.

6 We're also proposing to deliver a new and
7 unique search capability, essentially building upon
8 some of the great work that SBA has already done.

9 I don't know how many of you are familiar, but
10 SBA created a capability called Green SBA Search. And
11 what that does is it actually allows people to search
12 across many different structured data sets, like
13 Grants.gov, VetBizOps, and Patents.

14 And so what we've done is we've said, "Well,
15 let's build upon this idea of the Green SBA Search.
16 Only we don't want to just limit that search capability
17 to just Green opportunities, we want to be able to
18 search all of those opportunities.

19 Because we can't predict what the user is
20 going to want to see.

21 So we're creating a new search capability.

22 We're also creating an idea of communities,

1 where we're aggregating the blogs, we're getting
2 twitter feeds and aggregating twitter feeds. And then
3 we're creating a good opportunity for people to discuss
4 and share their experiences with us.

5 Finally, notifications. So if we don't have a
6 mechanism for communicating out to people, then all is
7 lost. Because ultimately, people will come here one
8 time. And if they return, it will only be if they find
9 value.

10 And so what we want to do is find some
11 mechanism that allows us to communicate back out to
12 people, when we introduce new capabilities and new
13 elements to this platform.

14 Initially, we're only working for 90 days. So
15 we can't do a whole lot of rollin' up the sleeves, and
16 big slot type of features.

17 But we plan to introduce new features over
18 time, and allowing us to communicate out to people is a
19 key aspect of that.

20 "No wrong door." This is the President's
21 phrase, "No wrong door." It doesn't matter who you
22 call. You could call 1 (800) FED-INFO. You could call

1 the SBA Help Line. You could call Patent Help Customer
2 Support Committee.

3 The concept here, and what we've already done
4 is, especially starting from the 1 (800) FED-INFO,
5 which is the GSA capability, if you call into that
6 capability next week, you will be able to connect to
7 the commerce customer support centers, as well as the
8 SBA customer support center.

9 Now, one caveat on that. The SBA, we're
10 working to make that a more seamless transition. But
11 we're planning to do that over the course of the next
12 couple of months.

13 We've also distributed universal training to
14 each of these contact centers. So now everybody has
15 the same level of information.

16 That all by itself is a key achievement,
17 because we've never been able to string together all of
18 the contact centers before in a manner quite like this.

19 And then lastly is the idea of data. Data is
20 key to this.

21 Now many of you are probably already familiar
22 with Data.gov. It's a great product. One of the

1 drawbacks is that a lot of that data that you find
2 there is really organized toward researchers and
3 faculty and universities.

4 Well, that's not our goal here for the
5 Business USA data. We want to create data that is
6 useful to the regular business owner or the
7 entrepreneur.

8 So where are you going to locate your
9 business; how you're going to complete; what's the
10 level of saturation in a particular market.

11 Those are the types of data that we're really
12 looking to focus on, and create usable connections, so
13 that a regular business owner can find that data and
14 leverage that data to create value.

15 So in a nutshell, that's what it is. I'll be
16 happy to take questions, if you have questions.

17 I'd like to tell you that it's going to be
18 publicly announced next week. As you know, I will be
19 delivering the keys to the President next week on the
20 26th. That's the end of our 90-day window.

21 But ultimately, I'm at the mercy of the White
22 House Communications Team, in terms of when it gets

1 publicly rolled out and announced.

2 So I can't actually commit to that now,
3 because that team is knee-deep into preparing for State
4 of the Union messaging and those types of things.

5 But after the State of the Union, they said
6 that I'm number one after that, to think about how
7 we're going to roll this out.

8 CHAIRMAN JOHNS: All right. Thank you very
9 much, Tim.

10 Are there any questions? Yes, sir. Come to
11 the mic, please.

12 MR. ELMORE: And please identify yourself.

13 MR. HESSER: I'm Bob Hesser. I have a
14 question. I'm just confused. You said all. You were
15 talking about all SBA and commerce, all business, all
16 of the federal government?

17 MR. MCCROSSON: So, well, we're actually
18 shooting larger than just SBA and Commerce are actually
19 the co-chairs of our product.

20 MR. HESSER: Mm-hmm.

21 MR. MCCROSSON: But we have elements of USDA,
22 X-M Bank, Office of the Trade Representative, Food

1 Safety, lots of different --

2 MR. HESSER: The ones the President talked
3 about, all of those were included in what he announced.

4 MR. MCCROSSON: All of those are. IRS,
5 Treasury, yes.

6 MR. HESSER: Okay. Did he toss in the
7 Department of Labor for a new program for jobs for
8 veterans and jobs for everybody else?

9 But I think you might want to just consider
10 that. Because they have a lot more -- they've worked
11 for many years now on that. And there's been no
12 organizations working with them.

13 Department of Labor actually has a lot to add
14 to the business now.

15 MR. MCCROSSON: Sure. Especially from a data
16 perspective, the Department of Labor data is part and
17 parcel with our Data.gov strategy.

18 But in terms of programs, yeah.

19 And remember, this is an initial step forward,
20 right?

21 MR. HESSER: Yes.

22 MR. MCCROSSON: And so we're not trying to

1 drain the ocean with this 90-day product. Rather, you
2 know, with the 90-day product, we're trying to get an
3 initial first step, so that people in the universe can
4 start to react to and help us shape what the future of
5 this becomes.

6 And so inviting comment. And we should
7 recognize there are going to be gaps, there are going
8 to be seams. And there is opportunity, especially
9 early, to try to identify those and prioritize those as
10 areas for new development and new growth.

11 MR. HESSER: Yeah. They are in a new
12 development stage right now in putting this all
13 together.

14 That's the reason I'm bringing it up now.

15 MR. MCCROSSON: Okay. Thanks for pointing
16 that out to me. I really appreciate it.

17 CHAIRMAN JOHNS: Any other questions? Yes,
18 Bill?

19 MR. ELMORE: Just a comment, John. Thank you
20 for being here today.

21 MR. MCCROSSON: Thanks.

22 MR. ELMORE: Bill Elmore from SBA.

1 As I understand it, this is really going to be
2 a tailored product. So an individual veteran business
3 owner or entrepreneur could enter their basic
4 information and the system will drive entrepreneur
5 support information to them.

6 MR. MCCROSSON: Yep.

7 MR. ELMORE: It's really a tailorable
8 response.

9 MR. MCCROSSON: So we're really focusing on a
10 few of the key drivers on this. Some of those drives
11 are going to be starting a business, financing a
12 business, those types of things.

13 And so what we're really trying to do is, if
14 you're in the ball park of starting a business, okay,
15 well, let's start to push me into the content areas of,
16 you know, to helping me to develop a business plan,
17 helping me to identify financing opportunities and
18 those types of things.

19 That's where we're really going to be driving
20 people towards specific areas of content. But we're
21 trying to be unique, as well. Right?

22 So you go to Google and you get a laundry list,

1 right? You can search for a business development, or a
2 business plan help and assistance on Google, and you
3 get a thousand links.

4 Too much choice is like having no choice at
5 all. Right? How do I know where the creme de la creme
6 is for that content?

7 And so what we're proposing to do is give
8 people the small type tailored list of content.

9 MR. ELMORE: Mm-hmm.

10 MR. MCCROSSON: The tailored list of programs
11 and services, so that you know where the gold is. And
12 you can get to that high-valued content quickly and
13 efficiently, and get on.

14 Because every second that a business owner or
15 entrepreneur spends trying to figure out "Where do I go
16 to get the help?" is time that is lost that that person
17 could be doing new product development, getting new
18 customers, and those types of things.

19 We don't want people to waste time and energy
20 on that type of work.

21 MR. ELMORE: Okay. Thank you.

22 CHAIRMAN JOHNS: Any other Task Force member

1 questions?

2 (No response.)

3 CHAIRMAN JOHNS: Any other audience questions?

4 MR. MCCROSSON: Thanks a million for your
5 time.

6 CHAIRMAN JOHNS: Okay. Thank you very much,
7 Tim. We look forward to you coming back and giving us
8 another update.

9 MR. MCCROSSON: Sure.

10 CHAIRMAN JOHNS: Okay. So now we're going to
11 move to subcommittee reports. And we're going to focus
12 on the Task Force recommendations that were presented
13 to President Obama on our report that went to the
14 President in November.

15 So, Bill, I we could start with you, and
16 access to capital?

17 MR. ELMORE: Yes. Thank you, Marie.

18 Bill Elmore, Small Business Administration.

19 I think before I start, there are a couple of
20 things I should mention, just sort of structural
21 things. If you need rest rooms, if you haven't been
22 here before, they're out the hall door, and through the

1 glass doors to the right or to the left for men or
2 women.

3 In the case of an emergency, if we need to
4 evacuate, it's out the main door at the hall, an
5 immediate left, there's a door to the fire escape.

6 And just a reminder, as I asked Bob, when he
7 got up, to please give us your name, when you talk on
8 the record, because we are keeping a record.

9 And I think maybe before I start, I'll say
10 thank you, Marie, for recognizing me. Now for those
11 who've known me, I've been a fed for the last 11-1/2
12 years. Who'd-a thunk it?

13 I would have never thought I would have been
14 here that long, and I expect some in our community
15 wondered about that as well.

16 It has been an absolute honor and privilege to
17 do the work that the agency has allowed me to do, and
18 especially in this Administration that the agency and
19 the Administration has embraced.

20 So thank you for your kind comments. But it
21 has been a privilege. And I've been fortunate to be
22 with here.

1 CHAIRMAN JOHNS: Thank you.

2 MR. ELMORE: With that, I'll move on to the
3 recommendations. I'm not going to give you lots and
4 lots of detail on some of the things. Because like all
5 things government, if we talk too much before we get
6 them done, sometimes impediments present themselves to
7 keep us from getting those things done.

8 So I'm not going to give you a lot of detail
9 on everything we're working on.

10 I can tell you that in the context of how we
11 enhance access to capital for veterans across the SBA
12 loan portfolios, and I'm hoping with Business.gov,
13 across more than SBA, and ultimately into the
14 Department of Treasury even more, and into the
15 Department of the Agriculture and other federal
16 systems, that because of the success and because of the
17 attention of the Administration in how we define
18 internally what are called underserved communities, we
19 included veterans.

20 So many of the initiatives that the
21 Administration is undertaking in our other 7A loan
22 programs now includes veterans are one of the focus

1 areas.

2 So I can't say there's been a huge win there,
3 but it's a structural step that's necessary to make
4 sure that veterans, service members, reservists,
5 spouses, et cetera, are included as part of the
6 targeted marketing that goes in our other 7A loan
7 programs.

8 There is an examination underway from the
9 lessons learned about the Patriot Express Pilot Loan,
10 that of course, was renewed and extended through the
11 end of 2013 by this Administration.

12 And I think we have learned some lessons from
13 Patriot Express. We all know it hasn't been perfect,
14 but it's been a great tool.

15 And it's been a tool, I think, to let veterans
16 and service members know there is a product tailored to
17 them.

18 And from my perspective, what that's done is
19 it's helped people who are in the service or are
20 recently discharged from the service, who simply don't
21 know SBA exists.

22 If the know any federal bureaucracy, it's DOD,

1 obviously, and it's VA. But they don't know about SBA.

2 So it helps drive people to us, and it helps
3 our field staff and our lending partners be able to
4 engage with them and tell them of the range of
5 resources that are available.

6 You know, as I tell the people in my public
7 comments, typically SBA might not be your best choice,
8 it might not be your first choice. But it's one of the
9 choices, and you should know about that.

10 And if we are your best or if we are your
11 first choice, we want to make sure that our services
12 are tailored to fit what you're trying to accomplish.

13 So we're looking at that internally about
14 those lessons and how to apply them more broadly.

15 The last thing I think I'll mention, certainly
16 on the 7:00 a.m. Patriot Express side, is that we've
17 had now a series of discussions with one of SBA's
18 largest national lenders -- I won't mention the name
19 yet -- and they are very seriously looking at how they
20 can engage more formatively in delivering SBA products
21 to service members, spouses, reservists;

22 But also that's leading to discussions on

1 their part on how they might more broadly engage into
2 the veterans' small business community, to offer even
3 more services and resources, that don't tie
4 specifically to SBA lending.

5 And for whoever replaces me, if I had any
6 advice, this would be one of the pieces. And that is:
7 Remember, as you do this work, that SBA and how we
8 approach things opens the doors to broader engagement
9 for opportunity for veterans. It's not just about SBA
10 lending.

11 It really is about engaging veterans with the
12 private equity and capital community to make sure that
13 we have complete and open, and as much as I can do,
14 unfettered access to the funding resources that can
15 support our success.

16 So that's sort of the broad base on the first
17 recommendation. No specific reports out yet. But I
18 will tell you -- and I can say this now, Marie, because
19 I am getting short --

20 CHAIRMAN JOHNS: Oh, boy --

21 (Laughter.)

22 MR. ELMORE: There has been no pushback on any

1 of the recommendations that my subcommittee
2 recommended. None.

3 Nobody has come to me and said, "Bill, quit
4 talking about it." Nobody has come to me and said,
5 "Bill, we're not going to do this." Nobody has come to
6 me said, "Bill, we're not going anywhere near that."

7 So the door is open and continues to be open.
8 And I share that with my community, because you're
9 going to have to help carry that message, as well.

10 Second recommendation: How do we improve and
11 enhance access to the Surety Bonding Program? As many
12 of you know, we had temporary authority to go to \$5
13 million in our Surety Bond Guarantee Program for small
14 business, including veterans.

15 And there are two parts of Surety Bond, and
16 I'm going to look at my notes, because I want to make
17 sure I don't misspeak. We have two programs. One is
18 called the Prior Approval Program; and the second is
19 the Preferred Surety Bonding Program.

20 In the Prior Approval Program, we already
21 raised to 90 percent guarantee for veterans that
22 program.

1 Right now, in the Preferred Surety Bond
2 Program, there are 70 and 80 percent guarantees. We
3 are working to raise that Preferred Surety Bond Program
4 to 90 percent for veterans, as well.

5 I can't announce that that's been done. But
6 our Office of Surety Bond Guarantee is actually working
7 on that now.

8 Also, there is discussion inside the
9 Administration. One of the recommendations in the Task
10 Force report was to raise the overall level from \$2
11 million to \$5 million in our Surety Bonding Program,
12 like we did temporarily when Congress gave us that
13 short-term authority.

14 That discussion is underway. I won't throw
15 any of my friends from OMB under the bus here and say
16 that we're in discussion with OMB on that
17 recommendation. But that's how the system works.

18 For us to go back and be able to make those
19 changes, it takes more concurrence than simply SBA
20 wanting to do that. So that discussion is ongoing
21 right now.

22 And it's not with Matt, as best as I know. So

1 don't ask him, he won't know.

2 If you have questions, come ask my office. Or
3 we'll get you in touch with our Surety Bond Program
4 Office, specifically, and we'll go there.

5 So the second part of the recommendation with
6 Surety Bonding was some special marketing materials.

7 There are some relatively new marketing
8 materials. I will tell you that the special marketing
9 materials to the military and veterans and community
10 have not been completed yet. But I have the assurance
11 of our Surety Bond Office that they are working on that
12 as well. So hopefully, when that new marketing gets
13 out there, that will be a tool to help veterans, once
14 again, understand that there is a program available
15 from SBA to help support, especially in the
16 construction field.

17 CHAIRMAN JOHNS: Bill, may I add one thing?

18 MR. ELMORE: Yes.

19 CHAIRMAN JOHNS: On this particular
20 recommendation. As Bill pointed out, we have Patriot
21 Express, which is, you know, by its name, a loan
22 product that is specifically for our veterans and their

1 families.

2 But we always emphasize with small business
3 owners -- and for veteran business owners -- that
4 that's not the only loan that's available.

5 And so I wanted to just say a word about a
6 relatively new loan product, CAPLines, that we made
7 available October 1, that we've gotten very good
8 feedback from our lending partners about this; because
9 we really did simplify the loan, and took actually an
10 old loan product that was on our books, that had been
11 woefully underutilized, because it was just too darn
12 complicated.

13 So we looked at that to see, was there a way
14 to use that vehicle to create another loan product.
15 And the very good folks in our Office of Capital Access
16 did just that.

17 And so CAPLines Program is a working capital,
18 a revolver, a working capital line, which was a product
19 that we truly needed in our portfolio. It's a
20 simplified process, very well received by the banks.

21 And our district offices are reporting very
22 good feedback from our lending partners on CAPLines.

1 And the point here is that what we're already
2 seeing is that there is very strong use of the new
3 CAPLines for construction.

4 And so that's a help for veteran-owned
5 businesses who are in the consternation industries, and
6 who also are looking for us to improve Surety Bonding.

7 MR. ELMORE: Thank you, Marie.

8 And I think that there is another point here
9 to understand, that we have a number of varieties of
10 our basic loan programs, 7A, 504, and others.

11 And I think the point that Marie just made
12 about CAPLine and how it's been redesigned,
13 and -- hopefully it's going to be more effective and
14 more user-friendly for the community continue to work
15 with us -- if there are other of our products that you
16 think there are recommendations we should consider to
17 enhance our 504 Loan Program, our Micro Loan, or our 7A
18 and some of the specific sub-products, please think
19 about that and share your recommendations with us.

20 This is how things happen and how things
21 ultimately get done.

22 I'm going to move to our Micro Loan Program.

1 I think many of your who were here for meetings
2 previously know that the first time in SBA history we
3 actually engaged what I call are our first national
4 Micro Lender, targeted to lending to veterans.

5 My understanding is that -- I don't have
6 numbers yet -- but my understand is they have been
7 overwhelmed and overrun.

8 So there's two parts of the Micro Loan Program
9 that we're going to try to enhance for the veterans'
10 community:

11 The first is we've got about 260 participating
12 community-based lenders out there, in our network now.
13 And I think they acknowledge -- and certainly we
14 acknowledge -- that we haven't been doing as good a job
15 as we should for the military community over the last
16 three, four, or five years.

17 That's beginning to reverse itself. The woman
18 who runs our Micro Loan Program is putting a special
19 initiative together to go out and engage our existing
20 micro lenders, and help them understand how to find and
21 engage with and work with veterans, with service
22 members, with reservists, with spouses, with families.

1 And I think it's just sort of there was no
2 push up until the last couple of years, to make sure
3 that veterans were an important part of that market.

4 Right now we're about four percent of our
5 Micro Loans going to the veterans' community. Our
6 target goal is nine percent. So we've got a long way
7 to go.

8 Any insider help you can provide to us, we'll
9 willingly accept.

10 I think the second part is: We want to try to
11 identify other organizations like the Micro Lender we
12 engaged this last fall, that have an interest and have
13 the ability to service veterans specifically.

14 So organizations as large as the American
15 Legion, who I'll pick on, since my friend, Dan
16 Dellinger isn't here today, to as small as a community
17 lending organization operating in one county.

18 You know, if there are organizations out there
19 who want to engage into veteran's lender, please tell
20 them to contact SBA. We'll put you in touch with our
21 Micro Loan Program office. And they are more than
22 willing to work with those Micro Lenders, to see if we

1 can't get them into our program and deliver better
2 access to veterans that way.

3 CHAIRMAN JOHNS: Thank you, Bill.

4 Just on that point, I'd like to acknowledge
5 our SBA colleague, Jerry Flavin, who is here this
6 morning. Jerry, if you would stand and be recognized?

7 I don't know if you would like to add
8 anything, but Jerry has been a true champion of Micro
9 Lending, and helping our agency connect in very
10 innovative ways to new communities, and is actively
11 recruiting new Micro Lenders to our SBA programs.

12 And we know that that's going to end up being
13 a great benefit for all small businesses, and
14 particularly our veteran-owned small businesses.

15 And come to the mic, if you would, please,
16 Jerry.

17 MR. FLAVIN: Oh, yeah, sure.

18 Hi. My name is Jerry Flavin. If I could just
19 say -- I've spent a lot of time thinking about this
20 over the last six months -- as I understand it, over
21 the next five years, we're going to have something like
22 a million service people are going to be separated from

1 the military.

2 Now I'm not suggesting all of those people
3 could be entrepreneurs. But some of them may be.

4 And I think we're going to do a great job in
5 terms of training people up to be entrepreneurs, and
6 giving them those skills.

7 But at the end of the day, after you've been
8 trained up, you have to have some capital to get that
9 business up and running.

10 And that's why I think it's very important, as
11 we think today, and we look forward, as Bill says, we
12 really have to do a better job of recruiting veterans'
13 organization, to see if they might have some interest
14 in becoming Micro Loan intermediaries.

15 So I just wanted to second what Bill said to
16 the extent that you know somebody who might be
17 interested in becoming -- two things that you have to
18 know.

19 First of all, you have to have some experience
20 making loans to small businesses.

21 Secondly, you have to some assistance
22 providing technical assistance to the borrowers.

1 As it turns out -- I'm going on too long and I
2 apologize -- as it turns out, we do have
3 something -- because a lot of times, you come across
4 these mission organizations, that have the mission, and
5 they really wanted to do the right thing, but they
6 don't really have the sense of, you know, have any
7 history of making loans or providing technical
8 assistance.

9 So we've put together something called the
10 Micro Loan Road Map. So if you know an organization
11 that might be interested, please contact Bill's group,
12 or give me a call. My e-mail address is
13 Jerry.Flavin@SBA.gov. And Flavin is F-l-a-v-i-n.

14 Thank you, Marie, and thank you, Bill.

15 MR. ELMORE: Thank you, Jerry.

16 CHAIRMAN JOHNS: Thank you, Jerry.

17 MR. ELMORE: The fourth and final part
18 is -- and I'm going to ask Earl if he might speak on
19 our behalf here -- Earl Peek is our representative from
20 Treasury, and for me this is really important, and I'm
21 grateful this Task Force has done this -- up until now,
22 all the focus has been "What does SBA provide and

1 offer?"

2 But obviously, there are much broader parts of
3 the federal system that are involved in providing
4 capital to small businesses in urban and rural areas.

5 And Treasury has stepped to the plate. So
6 Earl, if you might touch on sort of what progress we've
7 made so far?

8 MR. PEEK: Certainly. Good morning.

9 I'm glad to be here representing the U.S.
10 Treasury and my Deputy Assistant Secretary Don Graves,
11 who is over this area, as well as Secretary Geithner.

12 As some of you all may know, the President
13 signed into law, in the fall of 2010, the Small
14 Business Jobs Act. And that Act created several source
15 of capital.

16 One trench was the Small Business Lending
17 Funds, which was designed to invest into community
18 banks. These are banks that have \$10 billion assets or
19 less.

20 A second trench was investing into states to
21 do job creation.

22 A third trench was investing in community

1 development, financial institutions, CDFIs. And then
2 there is another program out, a little bit further out.
3 It's the Secretary's guaranteeing bonds that go to
4 CDFIs for job creation.

5 All of these were designed by Access to
6 Capital, job creation.

7 We are pleased to say that since the report
8 has been published to the President, that we have
9 reported \$4 billion into approximately 332 banks across
10 the country.

11 And we also have a strong uptick in lending
12 from all these sectors.

13 The second thing we've done is that we've
14 deployed approximately \$1.3 out of \$1.5 billion into
15 states. Nearly every state has received their first
16 allocations, and they have capital access programs,
17 they have loan guarantees, venture capital in all types
18 of areas.

19 And we've also deployed about 150 of the 300
20 million that was to go to CDFIs.

21 So capital has been deployed.

22 One of the center features of the Act was that

1 we were supposed to, and we are directed to make sure
2 that all banks are assessed, to make sure they do an
3 outreach in linguistically appropriate marketing to
4 minorities, women, and specifically veterans is also
5 outlined in the bill.

6 And so at this point, one of my chief
7 activities now that the capital is out in the fall of
8 2010, is to join with SBA in comarketing and making
9 aware these programs to Main Street.

10 It's easy to talk about billions of dollars
11 and millions of dollars. But what you want to do is go
12 right to the business and say, "Here's -- of your
13 community that the United States has invested in.
14 Here's the CDFI we've invested in. Here's how we make
15 it aware."

16 So Treasury doesn't have the network. The SBA
17 has the network. They have the small business
18 development centers.

19 And so our goal right now is to create
20 cross-collateral materials to get to SCORE, the small
21 business development centers, and the vast network that
22 the SBA has created, and that it has a history of

1 managing; and to get capital out to Main Street.

2 The money is out there, and the President and
3 the Congress have enacted it. We've deployed it. And
4 now we want Main Street to get to it.

5 CHAIRMAN JOHNS: Thank you, Earl.

6 With that, Marie, that closes our report.

7 CHAIRMAN JOHNS: All right. Thank you very
8 much, Bill. And thank you, Earl.

9 I just want to add a word to Earl's comments,
10 and to say that probably more strongly than ever the
11 SBA and Treasury are partnering.

12 And also CDFIs, that Earl mentioned, for the
13 first time are able to take advantage of SBA's
14 guarantee. That has never happened before.

15 And the benefit of that for veteran-owned
16 small businesses is that CDFIs are great lenders; they
17 are generally very familiar with the small business
18 landscape in their communities; they have a very
19 high-touch approach to how they work with the small
20 business, since they do offer technical assistance, as
21 well.

22 And so for many small businesses, and

1 particularly the start-ups and younger small
2 businesses, they are the perfect lending partner, and
3 can really provide more appropriate services than,
4 perhaps, a larger lender would do.

5 So we're delighted that under our community
6 advantage loan, that we rolled out about a year ago --
7 and we're starting to really see some traction in that
8 program history -- it was entirely new; we're bringing
9 in new lenders.

10 And so it's taking us a little while to get
11 that base of lenders up and running. But we're seeing
12 some good results beginning to happen.

13 So it's been a great partnership with
14 Treasury. And we are going to be on the road, talking
15 about all these resources, so that people know.

16 Because there is still a significant awareness
17 gap in terms of ensuring that small businesses know, if
18 these resources are out here, what the Administration
19 has been doing.

20 And so that's what we'll be doing with our
21 partners at Treasury.

22 Jiyong and Andre, please? Contracting.

1 MS. PARK: Well, good morning again, everyone.

2 First let me start off by saying, you know,
3 it's been a real pleasure working with Linda Oliver at
4 the Department of Defense. And I look forward to
5 continue working with her, and also very closely with
6 Andre on this very important subcommittee on Federal
7 Contracting.

8 Also, I would be remiss not to mention Tony
9 Island in the front here. If you could wave? Whom
10 many of you know, who is GSA's dedicated veteran
11 business advocate.

12 He's very passionate and tireless about it.
13 And in fact, you know, we had just two issues come
14 through yesterday, service-disable veterans who have
15 issues either with their schedule or just in general
16 inquiries about doing business with GSA.

17 He calls them almost immediately, answers the
18 questions almost on the spot. And it's just an
19 invaluable resource, and really a great example of
20 customer service from the government to citizens and
21 service-able veterans and veterans of businesses in
22 particular.

1 And so, you know, with that, I do want to just
2 mention a couple of areas of progress and bright spots,
3 and you know, accomplishments that we've done, in
4 particular at GSA, just to show the kind of real-time,
5 I guess, progress we've been making implementing the
6 recommendations at the same time that we've developing
7 them.

8 We have increased the number of
9 service-disabled veteran-owned small business
10 set-asides. And as we know, the set-asides are a great
11 tool to really level the playing field and get greater
12 access to veteran-owned businesses.

13 We've seen a 30 percent increase in GSA at the
14 service-disabled and veteran-owned small business
15 set-asides, specifically, because we have been really
16 intentional about using that procurement tool that's in
17 the statute.

18 And we've seen examples of this really pay
19 off, as in when for the government and for the
20 veteran-owned firms, there was just a recent example in
21 Denver, multi-million-dollar professional services
22 support, facilities maintenance support; a recent

1 example out of the Washington, D.C. area;

2 Another example out of Chicago, where we're
3 seeing veteran-owned businesses, WIN contracts. And
4 that has led to increased hiring, getting to the job
5 creation of other veterans.

6 And so, you know, we all know that that's hire
7 vets. And we've seen some concrete examples of that in
8 GSA that we're proud of, and just want to put out there
9 as kind of walking the talk, I guess, and just some
10 successes there.

11 And speaking of set-sides, I did want to
12 mention, just in, you know, kind of the broader
13 context, a couple of other folks have mentioned the
14 Small Business Jobs Act and the impact that that has
15 had.

16 And one of the key provisions of that Act
17 really affects the schedule's program, and allows, for
18 the first time, you know, in statute, the small
19 business set-asides, including service-disabled
20 veteran-owned small business set-asides, on schedules.

21 And so that's an easier way for the
22 contracting community get to veteran businesses. And

1 so that's effective November 2nd. That's really
2 something I know that -- legal counsel SBA have really
3 pushed through Congress, and it's in the statute; and
4 it's also now in the regulation in the FAR.

5 And so that's a tool that's available today.

6 And I know there are still some details to
7 work out, not exactly how that's going to be
8 implemented. But the bottom line is that it can be
9 used today.

10 So it's something for you to be aware of, and
11 it will be, you know, an educational process to make
12 sure that those who are making buying decisions in the
13 government are also more and more aware.

14 We're doing some education around that. And
15 it's good for you to be armed with that, so that you
16 can also help educate all the acquisition officials out
17 there that you interact with.

18 So with that being said, I'll shift a little
19 bit now to the particular recommendations of the Task
20 Force.

21 And I won't necessarily go slide by slide; but
22 our recommendations fall into two main buckets:

1 One is around education, as I was just
2 alluding to, to the acquisition work force.

3 And the other main bucket is around just
4 enhanced outreach to the veteran business community.

5 So on the education piece for the acquisition
6 work force, we have developed a memo issued out of the
7 Office of Acquisition Policy, that outlines the
8 different market research tools and sources out there,
9 to find veteran-owned businesses, including the VETBiz
10 database.

11 Certainly businesses don't have to be
12 registered there to do business with the rest of the
13 government. But it is a source, and we certainly point
14 to the SBA database and other ways to get to
15 service-able veteran-owned firms.

16 Now in addition to those databases, we also
17 dispel some of the myths that are out there about,
18 okay, we talked about certification being an issue.

19 But you know, verification should not be a
20 barrier to businesses doing business with other parts
21 of the government outside of the VA.

22 And so we just want to make that clear. And

1 that's a hurdle we've seen at our own agencies. So
2 that really is a continual education process.

3 And so we're working on that. The memo is out
4 there. And our next step with that is to help make
5 that a government-wide issuance, so that certainly GSA
6 touches many agencies across government. But we want
7 to make sure that this guidance does get into the hands
8 of all buyers directly.

9 Related to that is we wanted to make the
10 education piece a little more dynamic than a document.
11 And so we are providing in-person education around
12 that, at our annual expo that draws thousands of
13 acquisition professionals, as well as businesses from
14 across the government and across the nation.

15 And so we have a specific education piece
16 around those myths I talked about, about those market
17 research tools I talked about, regarding contracting
18 with veteran firms.

19 So we did that last year. We'll do it again.
20 And we'll make sure that that is video-taped. And we
21 can package it also for broader distribution.

22 On the outreach piece, you know, we've really

1 drawn on some of the best practices that we've seen at
2 agencies, like the Department of Defense, other
3 agencies out there, where they've really garnered, like
4 at the VA -- Department of Labor I should say
5 too -- the agencies who have really met and exceeded
6 their goal.

7 And GSA is really looking to achieve more and
8 more each year toward that end, too;

9 But to really make sure we're partnering
10 better with the SBA, partnering better with veteran
11 service organizations, and even organizing better
12 within each agency, to better market and get the
13 information about upcoming opportunities to the veteran
14 community.

15 So, you know, at GSA, we have set up a kitchen
16 cabinet with senior executives across the Agency, who
17 are making themselves available to be at the events
18 that are happening, that are being hosted by the BSOs
19 to have a stronger presence, for people to do
20 matchmaking.

21 And we'll also be hosting a specific kind of
22 match-making a roundtable area within our expo to help,

1 you know, the 24 hundred veterans who are already on
2 schedule, as well as those who may be looking to find
3 avenues to do business with the government.

4 So, you know, I don't know if there was
5 anything particular, Andre, you wanted to add. But I
6 did want to hand it over to you as well.

7 MR. GUDGER: I piggyback with you. We
8 basically have in the past year focused on implementing
9 a lot of the recommendations here. We didn't wait
10 necessarily for the recommendations.

11 But how can we take a lead role up?

12 I remember being on the phone with then Dan
13 Gordon, and I had a procurement acquisition policy, and
14 myself and my general counsel trying to figure out:
15 How can we make it possible for small business
16 set-asides that happen in multiple-work contracts, and
17 starting with our case to make it possible that it came
18 through in November?

19 And I looked at what we would be doing in
20 Defense. When I was on the other side, I naturally
21 walked in with a few ideas of things that we could do
22 to make access easier for all small business, and

1 particularly the veteran community, by just simply
2 building more accountability in what we do inside of
3 our training.

4 So we looked at the best practice as far as
5 training our program managers at the earliest stage,
6 including small business.

7 So now our program managers, as they become
8 certified, they are required to take a small business
9 course.

10 And I think that's key. Because now they
11 understand how to use service-able veteran-owned
12 contracts; when they can set aside, when they
13 shouldn't.

14 And we're moving further on to building in our
15 recertification process for a contracting officers all
16 levels one, two, and three a training module for it as
17 well.

18 So those are things that we're doing in
19 Defense in that particular area.

20 Going further on with a study that we have now
21 to look at reducing barriers for service-disabled
22 veteran-owned businesses by really simply increasing

1 our industrial base on that area; having more
2 service-able veteran-owned businesses, but then having
3 them producing in the areas where we're going to buy
4 things in the future, not just today, not just in the
5 past, but future.

6 So we just finished our forecast study. So
7 we're going to see improvements in the Department of
8 Defense of how we forecast. We're going to make it
9 available to industry. We're going to make it
10 available specifically to the veteran community.

11 And we're going to take it a step further than
12 that. We're also going to look at the things that are
13 near and dear to the Department's heart.

14 And that is protecting our young men and women
15 who are out there in the tactical edge, and looking at
16 our urgent needs of the Department:

17 Things that we need in short fashion, that
18 small business has played a vital role in creating.
19 Because, quite frankly, most of our innovation is born
20 in a small business. And we need that, and we need
21 more of it.

22 So we're doing things to foster and make it

1 easy for veteran businesses from our office, and
2 looking at, quite frankly, just simply reducing a lot
3 of the policy.

4 We took the executive order last year very
5 seriously, and that's let's look at policy that
6 matters. Let's take things away that are old, and
7 they're not as applicable. And let's create policy
8 that's going to reduce.

9 And so those are the things that we're doing
10 in Defense. We're sharing information across. We used
11 to go at the quarterly meetings that Valerie Jarrett
12 used to hold. We used to share information of best
13 practices with all agencies, as a kind of
14 recommendation of this group. And we're going to
15 continue on, as we move forward.

16 CHAIRMAN JOHNS: Okay. Thank you very much,
17 Jiyong and Andre.

18 Just a couple of points, if I may add. Andre
19 just referenced the Valerie Jarrett meetings. That's
20 an example of the importance that the President has put
21 on this issue of small business procurement across the
22 board.

1 And certainly veteran-owned small businesses
2 are part of that agenda.

3 He has tasked his senior advisor, Valerie
4 Jarrett, with holding quarterly meetings, where the
5 senior officials from across the federal agencies that
6 comprise the biggest component of federal government
7 procurement have been required to meet with Valerie on
8 a quarterly basis, report on progress; and certainly,
9 when you're coming to the White House, report to the
10 President on how you're doing. You want to have a good
11 report.

12 And so that accountability part of the process
13 has been very helpful.

14 In addition, I also wanted to point out that,
15 you know, our last fiscal year was a challenge for us
16 in terms of really moving toward; because we had done
17 such a good job in fiscal year '10, we had a small
18 business procurement rate of 22.7 percent, and we were
19 so close to meeting the statutory level of 23 percent.

20 But then in 2011, our federal budget process
21 was really quite frankly a blow to us, because the
22 federal government lived under a set of continuing

1 resolutions nearly all year. Federal procurement
2 officers didn't get their budget, any of us in our
3 agencies, our budget really wasn't set until the last
4 quarter.

5 And so, as you can imagine, that is not the
6 best situation for allowing, you know, the Tony Islands
7 and the other contracting professionals around to look
8 to cast the widest possible net, and really bring new
9 small businesses into the loop.

10 And so the good news is that this year, we
11 have our budget. Congress passed the budget in
12 January. And so we're really optimistic that building
13 on the best practices that Andre mentioned, that have
14 been shared at the Valerie Jarrett meetings, and all
15 the good work that's been going on through our great
16 advocates, Jiyong, and others, that we have a very
17 good chance this year of having a very strong small
18 veteran-owned business procurement number.

19 But we mentioned outreach a number of times.
20 We'd very much want to hear from you, if there are
21 organizations or other venues, where you don't think
22 that we are well-enough connected in terms of talking

1 about what we're doing, what resources are available.

2 Please make those recommendations known to us,
3 if you have them.

4 Yes, Bill?

5 MR. ELMORE: Thank you, Marie.

6 I neglected to mention earlier -- so I
7 apologize for interrupting this part -- but I wanted to
8 have Stan Fuji stand up.

9 So for those of you who had worked with my
10 office and worked with Billy Jenkins, Billy Jenkins is
11 now retired. Stan Fuji is not the new Billy Jenkins;
12 he is the old and improved Stan Fuji.

13 And he brings a wealth of background and
14 experience, not just with veteran and disabled veteran
15 procurement, but all of our procurement programs.

16 So I wanted to make sure people knew Stan.
17 And if you continue to have questions or need assistance
18 from us, please contact Stan.

19 CHAIRMAN JOHNS: Thank you, Stan.

20 All right. Tom Leney, please report on
21 certifications.

22 MR. LENEY: Thank you, Marie.

1 I appreciate this opportunity to provide an
2 update. And there has been some progress in this
3 arena.

4 I'd like to first talk about resources for
5 streamlining the verification process. And I should
6 note to this audience, although I think the people
7 sitting here are well-versed in it, the difference
8 between certification and verification.

9 As you've heard from some of the other panel
10 members, certification is government-wide. It's done
11 via the CCR process.

12 Verification applies to a very, very narrow
13 set of programs, one program within the VA.

14 And there is considerable confusion. I wanted
15 to reinforce what Jiyoung said, which is: We have
16 developed an information package that we have put out
17 to our own contracting community, to ensure that our
18 contracting officers understand the difference between
19 verification requirements and certification
20 requirements.

21 I want to jump forward on the marketing. The
22 VA has applied some additional resources to the

1 verification program, because we recognized the
2 challenges and the difficulty we've had in making it
3 streamlined and making it fast.

4 The good news is the average time for
5 verifying the initial verification of a small business
6 has gone in the last four months from 126 days to 74
7 days.

8 So we are making significant progress.

9 Where we have lagged is in the handling of
10 requests for reconsideration.

11 One of the important elements within this
12 process is the opportunity for a firm, when we
13 determine that they do not meet the requirements of the
14 regulation for demonstrating ownership and control,
15 have the opportunity to fix it.

16 So this is not a denial of program. But the
17 request for reconsideration process requires a pretty
18 deep dive, we found. And that process has been much
19 slower than we would like.

20 So we are now requiring additional resources
21 to speed that process up.

22 We are not meeting -- I'll be frank -- with

1 this group, and publicly. We are not meeting the
2 regulatory objectives of the VA in terms of handling
3 the request for reconsideration.

4 But I anticipate within the next 60 days, we
5 will have eliminated that backlog and be back in
6 compliance.

7 Technology resources. Some bad news. We
8 launched a new technology platform for verification.
9 It has not been the step forward that we hoped. Those
10 of you who have been involved in the IT world, the lag
11 between requirements and the evolution of business
12 processes can sometimes create a problem.

13 So we have gone back to the proverbial drawing
14 board.

15 CHAIRMAN JOHNS: And what was that system,
16 please Tom?

17 MR. LENEY: It's the VIP system, the
18 verification and case management system that supports
19 VIP.

20 CHAIRMAN JOHNS: Thank you.

21 MR. LENEY: And we invested a considerable
22 amount of money and revisions. Some of you may be

1 painfully aware of the fact that we had a hiatus in
2 handling applications due to problems bringing that
3 system on line.

4 But we're continuing to push forward, because
5 we do believe that in 2012 that much of the basis for
6 streamlining is going to be improved technology.

7 The good news on the technology side is now
8 all of our applications are done on line, so the
9 laborious effort of faxing and mailing -- and I call
10 the Raiders of the Lost Ark of Mail Room at the
11 VA -- that process is gone by the wayside, so all of
12 our applications are now handled on line.

13 Which is a major step forward.

14 A step forward is renewal. We will be
15 launching our policy on renewals. We have reached out
16 to the veteran community, the stakeholder community,
17 and received a number of very useful comments, and
18 taken those comments on board, so that we will have a
19 streamlined process in the annual renewal, that we
20 think will enable those firms that have demonstrated
21 their compliance with the regulation to continue to do
22 so.

1 And last but not least, I wanted to mention
2 that -- because again, Bill was on a junction about
3 marketing this. Our goal is to streamline this
4 process, for two purposes:

5 One, we wanted to start marketing verified
6 firm, because we think that that is a positive
7 discriminator for veteran businesses. We are who we
8 say we are, and we are what we say we are, and to
9 market that around the government.

10 The challenge for us is the distinction
11 between verification and certification. But our goal
12 here, once we have finished our focus on the process,
13 is to then market those verified firms as being the
14 gold standard for certified firms;

15 So that contracting officers can have great
16 confidence that any verified veteran small business,
17 they can do business with.

18 So as we take the next step technologically is
19 the adding of the search capability on the government
20 side to make it easy for contracting officers to find
21 verified small businesses that meet their contracting
22 needs.

1 And we're working closely with DOD in
2 partnership with Andre's team to build a market
3 research capability into the platform. Because we
4 think if we can make it easier for contract officers to
5 find veterans small businesses, they will make it
6 easier for them to understand the value that veteran
7 small businesses can add.

8 So that's all I have, Madame Chairman.

9 CHAIRMAN JOHNS: Okay. Thank you very much.
10 Matthew, Administrative Burdens.

11 MR. BLUM: Thanks, Marie.

12 As everyone will recall, in this subcommittee,
13 we basically have divided our work into two buckets:

14 One, looking at opportunities to take
15 advantage of technology;

16 And the second bucket really is to look at
17 ways to reduce regulatory burden.

18 But the terms of the first one, I'm very
19 pleased to have my colleague, Tim, here earlier to talk
20 about Business USA. As you know, from the start of
21 this Task Force, we have kind of raised the issue about
22 how we can use technology, given all of the important

1 resources that are made available through SBA, through
2 VA, through Labor, through DOD, and others.

3 And of course, the President's announcement of
4 a challenge at the end of October, which has led to
5 very concentrated effort that Tim described, I think
6 provides an important opportunity for this community.

7 So while the very first stage of this doesn't
8 specifically speak to every detail that you may want to
9 see reflected, what I think is very clear, as you can
10 see, is that the purpose of this is to make access to
11 information much simpler, and with a specific focus on
12 small businesses.

13 As this is rolled out, my goal is to make sure
14 that the input of this community and through this Task
15 Force is provided back through Tim and the other folks
16 at SBA and Commerce that are working on Business USA.

17 And we hope through that, the various types of
18 information provided, whether it's through veterans'
19 business outreach centers, through the boot camps, and
20 so forth, are all accessible more easily through this
21 important platform.

22 With respect to regulatory burden, I will

1 touch just upon three important ones.

2 And much of this has been given, again, an
3 important push, essentially through the President and
4 Executive Order 13563, which we've talked about before
5 as well, on improving the regulatory review process, a
6 key component of which is to think in terms of
7 constantly thinking about the burden that is imposed
8 not just as we move forward, but also on existing
9 rules: Those that may not necessarily have been on
10 Congress's radar screen in the current moment, but
11 those that had been around for five, ten years, that
12 sometimes we have a tendency to overlook.

13 And we know in this area that there has been
14 great interest in set-asides, and in how set-asides are
15 used at the order level.

16 And so as part of this look-back, not only
17 with the help of the Jobs Act will we see greater use
18 of set-asides in orders, but also partial set-asides.

19 That's a tool that's been around -- I don't
20 think it has been actually carefully reviewed through
21 the FAR in maybe 20 years; but as a result of the
22 interest in the important of set-asides at the order

1 level, this is giving us an opportunity, and we're
2 working closely with SBA on that.

3 And when SBA issues its rules with respect to
4 order set-asides, that will also include coverage on
5 partial set-asides, as well as the use of reserves,
6 another tool that many agencies have used in many
7 different ways.

8 This additional guidance will build on the
9 initial framework that the federal acquisition
10 regulation has created, as both Andre and Jiyoung
11 mentioned, back in the beginning of November, to make
12 very clear that agencies have the authority now to do
13 set-asides at the order level.

14 I might also mentioned, Jiyoung, I think that
15 GSA with respect to the schedules in particular, have
16 tried to address some of the basic mechanics, so that
17 contracting officers know, for example, clauses that
18 they need to use in placing orders, to make clear that
19 they're going to be setting aside the orders.

20 SBA's rules are going to, of course, build
21 upon this, in terms of providing some additional
22 guidance and refinement.

1 But I think probably what's most important of
2 all of this -- and Marie, you've touched upon this
3 earlier too with the White House Working Group -- is
4 the fact that all of this really comes down to
5 management and commitment.

6 So it's having the 21st Century tools, but
7 also making sure that each agency is committed to that,
8 which from OMB's perspective we have definitely seen a
9 great focus with each of the agencies.

10 For example, in discussion of goals with SBA
11 and goal achievement, the fact that Congress has
12 authorized that use of set-asides, means that there is
13 an additional tool;

14 So as agencies are working their way through
15 how to get more work to small businesses, this tool
16 becomes part of that conversation.

17 And I mention that only because many people in
18 this room are very familiar with the details of
19 set-asides and some of the regulatory challenges that
20 it seems to take a long time in order for us to be able
21 to get resolution on.

22 But at the end of the day, if there is that

1 commitment and attention, and people are aware of the
2 fact that there is a tool that's available, even if we
3 don't have process perfection, we made great advances.

4 I think everybody, if I were to pull everybody
5 on the Task Force, we're not going to go backwards.
6 We're not going to go back to a state where set-asides
7 are not allowed for ordering.

8 So I think that we've made a great start with
9 the FAR rule. And I think there are going to be
10 important things to come with your involvement in that.

11 A secondary, which we have talked about
12 before, as well, recently is the OMB Director's
13 memorandum that challenged agencies to accelerate their
14 payments to small businesses, with the goal of being 15
15 days of receipt of goods.

16 Quick Pay, I think, is the phrase that we use
17 for this initiative. Through this conversation, many
18 folks have mentioned this a great and important step.
19 But we can't forget about subcontractors.

20 And again, here's another age-old challenge,
21 where we try to reach a balance between privity on the
22 one hand, where we have to allow for our prime

1 contractors to manage their relationships with subs, as
2 is, you know, always done in good commercial practice;

3 And also recognize that there can be
4 differences between sectors, in terms of common
5 practices that small businesses will use, so we don't
6 want to micro-manage that process and overstep;

7 And yet on the other hand, recognizing that if
8 small businesses are not paid in a timely manner, even
9 as subcontractors, it's going to be harder to get the
10 best engaged in wanting to work for the government.

11 So we have to find a way, in order to make
12 improvement in that, as well.

13 And we found with the Jobs Act, in Section
14 1334, which talks about improving payment to
15 subcontractors, a lot of good comment has come back,
16 and that we are using some of that to kind of continue
17 this conversation on Quick Pay.

18 So I think you will see in the coming months
19 some additional thinking, some additional refinement in
20 payment at the subcontract level.

21 Thirdly, I mentioned that this Administration,
22 as you well know, has put a lot of attention on

1 rebalancing of the workforce, which for the small
2 business community, and frankly for contractors in
3 general, has created concern from time to time about
4 what that means with respect to opportunities.

5 The Office of Federal Procurement Policy
6 issued a policy letter in September dealing with this
7 issue, broadly, and in clarifying what's inherently
8 governmental, what are critical functions and so forth.

9 As part of that, we included coverage that
10 specifically spoke to the fact, as a reminder, that to
11 the extent insourcing is appropriate, it is a tool, not
12 a goal, and specifically with respect to small
13 businesses, that agencies, as they look for and if they
14 identify needs, where they think insourcing may be
15 required, that if small businesses are currently doing
16 the work, that they should place a lower priority in
17 considering insourcing, look in other areas first.

18 And that is something that you will see being
19 codified in the coming months.

20 CHAIRMAN JOHNS: All right. Thank you,
21 Matthew.

22 Maria, Training and Counseling. Again,

1 welcome.

2 MS. TEMIQUEL: Thank you.

3 Good morning. My name is Marie Temiquel, and
4 I am with the Department of Labor Veterans Employment
5 and Training Service.

6 I hope you will bear with me. I have been
7 with vets for a very short time. I've had a limited
8 transition into this Task Force. And imagine my
9 surprise, when I walked into this setting, nothing of
10 what I expected today's meeting to be.

11 But the good news is, I am familiar with the
12 information that we've been working here on with TAP.
13 And I am very familiar with being able to implement
14 these recommendations.

15 So I can go down some of these recommendations
16 and let you know what my plan is to work with SBA in
17 many of things, and, of course, all our partner
18 agencies at the Department of Labor, the Employment and
19 Training Service, the Office of Disability and
20 Disadvantaged Business, in order to be able to share
21 some of this information.

22 So the opportunity to link the resources the

1 SBA has to some of our websites is something that we
2 can absolutely make that connection, and ensure that
3 more people are seeing this information.

4 So as veterans are linking into any one of our
5 Department of Labor sites that would make sense, we can
6 have these resources available.

7 In addition, the information that needs to be
8 shared with the TAP Steering Committee with our
9 redesign of the TAP curriculum, we have incorporated
10 entrepreneurship into the new TAP curriculum.

11 We are looking to pilot the new curriculum, so
12 we test-drive it, so to speak, get it out there with
13 some of the transition programs that are going on
14 domestically, so that we can begin to see how the
15 service members are receiving the new curriculum.

16 We can go back then and tweak it, and ensure
17 that the curriculum that we've redesigned and that
18 we're developing and facilitating in our employment
19 portion of the Transition Assistance Program will
20 included strong entrepreneurship pieces.

21 And continuing to work with SBA, and ensuring
22 that we have our staff trained, whether it's our staff

1 at the state offices, of course, the transition staff,
2 and of course ensure that we provide information to our
3 grantees, so that they can support veterans in ensuring
4 that those veterans that want to start their own
5 business, that they have those kinds of information
6 resources, tools, so that they can pass on to the
7 veterans.

8 And then lastly, ensuring that we work more at
9 the local level. So in some of my previous work, I've
10 done national partnerships. But from that experience,
11 I know the work really happens at the local level;

12 So really, working with the SBA, ensuring that
13 our field staff, that our DBOPs and our levers know
14 where some of these small businesses are, know where we
15 can make some of these connections; if not for
16 employment, and just for an opportunity for the
17 veterans to make those connections with other
18 successful small business owners.

19 And so we will continue in VETs to ensure that
20 these recommendations get implemented, moving forward,
21 and ensuring that we have strong communication with the
22 rest of the Task Force members, and incorporating some

1 of these other Task Forces that I know some of my
2 colleagues at VETs is involved in the VA DOD Task
3 Force, and the reverse boot camp as well.

4 So we'll continue to push that forward, and
5 ensure that these recommendations are implemented.

6 CHAIRMAN JOHNS: Okay. Thank you, Marie. You
7 don't sound like a new Task Force member at all.

8 (Laughter.)

9 CHAIRMAN JOHNS: So we're really excited about
10 working with you down the road.

11 And certainly the whole area of training and
12 technical assistance is one where the SBA is one where
13 the SBA is a major partner with the Department of
14 Labor. And we're excited about a number of initiatives
15 that we have on board.

16 Those of you who have attended our meetings in
17 the past, you hopefully heard from Mike Haney. Dr.
18 Haney is at Syracuse University, and he has been our
19 partner in developing our entrepreneurial boot camp for
20 service-disabled veterans, as well as our VWISE
21 program, which is entrepreneurial training for women's
22 veterans.

1 And those have both been huge successes for
2 us. And we are positioned to build on that great
3 foundation, and really take a very broader swatch of
4 customized training for veterans.

5 And I believe I saw Erin Andrew come into the
6 room. Erin, stand please, so people can see you. Erin
7 is the Senior Advisor in our Office of Entrepreneurial
8 Development, and can answer any questions you have on
9 training.

10 And while I'm at it, O. C. Isaac is our Senior
11 Advisor in our Office of Capital Access, and can answer
12 any questions on any of our loan programs that you may
13 have later.

14 But thank you again, Maria. And again, we
15 look forward to working with you.

16 MS. TEMIQUEL: Thank you.

17 CHAIRMAN JOHNS: Okay. So Jim Wilfong,
18 unfortunately is not here with us. Bill is going to
19 briefly cover his subcommittee report.

20 MR. ELMORE: Thank you, Marie.

21 I will attempt to take Jim's place here today.
22 And those of you who know him know that's just about

1 impossible.

2 And I wanted to follow up, I think, with our
3 new member from Labor, and also give a shout out to
4 Andre and to Tom, as well.

5 Tom touched on it, basically this other
6 interagency task force that is larger than this, that
7 is really focused on service members, before and during
8 and following their transition from military service,
9 embraced virtually all of the big ideas and
10 recommendations we made as a task force.

11 And I think we understand -- I understand
12 certainly -- the importance not just of sort of taking
13 those ideas and fleshing them out even more, and
14 revising them in some ways, but also to then secure the
15 support of the Secretaries of Defense and Veterans
16 Affairs.

17 Obviously I can't speak for them, but those
18 recommendations were in front of those gentlemen.

19 And having that sort of joint effort going
20 forward on some of the big ideas really support many of
21 the recommendations that Jim's subcommittee developed.

22 And the reason I wanted to mention that, is

1 that's all about transition. And ultimately, I think
2 most of us understand that we need to engage with
3 service members before they become veterans, to help
4 them understand, as they go forward in their careers
5 after the military, and their spouses and families
6 while they're still in, that entrepreneurship is a
7 potential vocational goal.

8 It's not easy, we understand that.

9 The reason I'm getting a little wordy here, is
10 because I'm trying to replicate Jim.

11 (Laughter.)

12 CHAIRMAN JOHNS: You needn't.

13 MR. ELMORE: Lord love a duck.

14 Jim has taken not only some of the basic ideas
15 and developed those into recommendations on some of the
16 things we've all talked about, the enhancements to the
17 GI bill.

18 The GI bill is a property right. I'll tell
19 you, honestly, I'm still not sure I know what that
20 means. But I think it's really important. And I think
21 that because Jim assures me that it is.

22 So government will probably take a while to

1 sort of figure out, "What's really the outcome from
2 that?" But I think there's going to be some outcomes.

3 You know, changes to the unemployment
4 insurance compensation program for service members to
5 support entrepreneurship; changes to the GI bill to be
6 able to use that earned entitlement to help develop and
7 support the establishment and growth of a small
8 business.

9 Those kinds of things are really big ideas.

10 Jim is -- and I talked with him two days ago
11 about this, and he was unable to join us today -- Jim
12 is taking those ideas and even flushing them out
13 further now, in the context of -- I don't want to call
14 it a policy paper, because he's not a federal employee
15 now -- but in the context of "How do you frame thinking
16 about how to do those things, and what the effect and
17 outcome from that will be."

18 I know a big part of his focus -- and I
19 whispered something to Andre earlier -- is supplier
20 base.

21 And for those who know me, you know that I
22 believe that these recommendations really focus about:

1 How do we begin to engage with veterans, disabled
2 veterans -- and I would argue Reserve and National
3 Guard members, as well -- as entrepreneurs, and build
4 them out as a critical part of especially the DOD
5 supplier base?

6 I think ultimately that's a game changer. You
7 know, social economic goals in government contracting
8 are critically important. But the original intent
9 behind the small business goals in federal contracting
10 was about DOD and other essential civilian contractor
11 supplier based to support our country.

12 So you know, the fact that Andre at DOD and
13 Wilfong on this committee are both moving in that
14 direction, I think gives us really where this is going.

15 And this is the other side of my true
16 confession, as I retire. I'm not going to quit working
17 in the community. I'm simply going to quit being the
18 fed.

19 And these are areas that I'm going to continue
20 to be focused in, is: How do we build out the veterans
21 small business community as an essential part of the
22 supplier base that DOD, the GSA, Department of Homeland

1 Security, and more broadly, our government needs? Not
2 just because of the innovation and the creativity, but
3 because these men and women have worn the uniform, they
4 know the results of bad policy, and they know the
5 results of good policy.

6 So who better to bring those lessons back into
7 government than our service members, and then after
8 their service, when they're veterans?

9 So that's sort of a broad-based esoteric. I
10 think that's kind of how Jim tends to embrace this.
11 And I think we'll continue to see him on this Task
12 Force as a thought leader on how we proceed in concrete
13 ways to do that.

14 So I hope that kind of represents, on the fly,
15 what I think Jim might have said, if he was here today.

16 CHAIRMAN JOHNS: I think you did a very good
17 impression. So thank you.

18 (Laughter.)

19 CHAIRMAN JOHNS: Okay.

20 Now let's move to our Public Comments section,
21 and also any questions that members of the public may
22 have for any of our Task Force areas, et cetera.

1 So I'll start with the list I have before me,
2 and then we'll open the floor.

3 Pardon me?

4 MR. HESSER: Can we have questions first? I
5 just have questions about --

6 CHAIRMAN JOHNS: Okay. We can certainly do
7 that. So come, and we'll set aside some time for
8 questions. Then we'll move into the Public Comment.

9 MR. HESSER: Bob Hesser, Representative of
10 VET-Force. Concerning the loan on particularly the
11 Surety Bonding, trying to upgrade it to \$20 million.
12 Could you consider finding out if what I'm going to say
13 is true?

14 My small amount of checking with service-able
15 veterans, trying to get into construction. As you
16 know, bonding is the primary thing; they have to have
17 bonding. Many small businesses would love to have a
18 million worth of bonding.

19 But they get a million dollars in bonding.
20 And then they get a contract for \$40,000, \$130,000,
21 \$200,000. And they're all bid bonds.

22 They end up to \$500,000 or \$600,000 worth of

1 bid bonds out there, waiting to be awarded. They
2 didn't get a good opportunity to really go after a big
3 one, like \$500,000 or a million. They can't do it.

4 Some contracting officers are listening. And
5 when they're not required to do the bid-bonding,
6 specifically for some real -- and there's a real risk,
7 they don't do it.

8 That's just piecemeal. I think there should
9 be a set that says "This is when bid-bonding is
10 required, and this is when it is not required," in
11 order to support the contracting officer.

12 Give them some definition, because this is
13 very, very important. This is really killing a lot of
14 construction people. It truly is.

15 And particularly when we were going through
16 the continuing resolution problems, you know, the
17 contracting officer has to know the money is there in
18 the original contract.

19 They allow them to do that, and that money
20 kind of disappears. And they're sitting there with
21 these bids, and they can't open them up, because
22 they're afraid to do so.

1 So I'm just, if you could work with
2 legislation, when you go for the other thing, include
3 that. Because I'll tell you, the VET organizations are
4 going to be doing that.

5 We're definitely doing that.

6 MR. ELMORE: You know, if I might suggest,
7 Bob -- and I won't claim to be an expert on all the
8 nuance and how Surety Bonding works.

9 MR. HESSER: Nor am I.

10 MR. ELMORE: What I would suggest is you have
11 some recommendations, you know, or a specific
12 recommendation, you know, get it to us.

13 MR. HESSER: I will.

14 MR. ELMORE: Get it into my office or into the
15 Task Force, and to my deputy right now, Dick Snyder.
16 And we'll take that to the Surety Bond Office, and ask
17 them for their feedback, their reaction, and their
18 comment.

19 MR. HESSER: Yes.

20 MR. ELMORE: And I think I might make go on
21 the recommendation is, you know, DOD is part of the
22 Task Force. A lot of construction ties into DOD and

1 the whole Army Corps of Engineers, and so on.

2 So you might want to sit down with them, as
3 well, and have this discussion. And give us the
4 benefit of some input, sort of from the contracting
5 officer side of the house.

6 MR. HESSER: All right.

7 MR. ELMORE: So that as we think this through,
8 it's not just what we think of it. It's also coming
9 out of the people who actually do that work.

10 MR. HESSER: I understand.

11 And in the second public meeting -- maybe in
12 the second one -- I brought up to the GSA the 8.44 in
13 the FAR. Which was concerning the SESNO, small
14 businesses exempt -- exempt from contracting.

15 Is the result of that the set-asides
16 from -- schedules -- is that the answer?

17 MS. PARK: I will defer to my colleague at OMB
18 on the policy answer, as I'm not a policy expert.

19 But in many ways, yes, that there are now
20 set-asides allowed on schedule. Not to say that all of
21 FAR 19 applies exactly to now 8.4. But there are
22 set-asides now on schedule.

1 MR. HESSER: So is that to step forward? Or
2 does that just save GSA? It says gets some people off
3 their back, because they're not really doing what
4 they're supposed to be doing.

5 Which one is that?

6 MS. PARK: Well, it's absolutely a step
7 forward, I think as Matthew has said. And I think the
8 intent is to make sure that the set-aside is as
9 streamlined as possible, to make it --

10 MR. HESSER: I'm glad we have it --

11 MS. PARK: Right. To increase opportunities
12 for small businesses, and maintain the streamlined
13 nature of multiple work contracts, both on the
14 government side, as well as on the contractor's side.

15 So you know, I don't know exactly the
16 mechanics of does 19L apply specifically to 8.44, or
17 vice-versa. But that's the gist.

18 And I'll defer to you, Matthew, on the
19 specifics.

20 MR. BLUM: Right. Just to build on what
21 Jiyong said, there was uncertainty, you know, prior to
22 the Jobs Act as to the use of set-asides at the order

1 level, at least in some cases, which the law brings
2 clarity to.

3 The regulation that folks referred to on
4 November 2nd, which was the initial implementation,
5 just the initial implementation of the section of the
6 Jobs Act that deals with set-asides -- that's Section
7 1331 -- makes clear -- and I apologize, I won't go into
8 details, but I will mention the one section, since you
9 mentioned the one section of the FAR. It's 8.405-05.

10 It's 8.405-5. That's the language in the
11 initial rule that speaks specifically to the coverage
12 of the schedules. That makes it very clear that you
13 may set aside orders for any of the small business --

14 MR. HESSER: Oh, the set-asides, yeah. I'm
15 talking about 404, which says 19 is exempt.

16 MR. BLUM: Right, but --

17 MR. HESSER: That's why I'm using that.

18 MR. BLUM: But this would make clear that the
19 authority for doing the set-asides is there.

20 MR. HESSER: Okay. They put in 405, I
21 understand; 404 is still there.

22 But my other question was more or less a

1 statement. I'm talking about 106-50 and 108-183
2 specifically states that self-certification is the one.
3 Now recommending or marketing that verification is
4 better than certification, that is illegal and it's
5 wrong. And every VET organization I know of will
6 really be up and tight on that one.

7 That is absolutely wrong. Until you change
8 the legislation in 106-50 or 108-183, please do not
9 attempt to start advertising verification being better
10 than self-certification.

11 Because my self-certification is just as
12 honest as anybody else; I just haven't gone through the
13 bureaucratic stuff.

14 And until such time as you make the law that
15 way, that's what it is.

16 If you do, I will guarantee you, promise you,
17 that every VET organization will be all over it. The
18 law says "self-certification."

19 MR. BLUM: Bob, you can rest assured. Thank
20 you for that input.

21 And we will make sure that we get this
22 reviewed. Because if we're doing something that's

1 wrong, we wouldn't want to do that.

2 MR. HESSER: Well, it is.

3 MR. BLUM: Thank you.

4 MR. HESSER: Even the SEAL is not really
5 endorsed by anybody. But the SEAL is out there.

6 And every time someone sees that SEAL, on the
7 show, you walk around and see everyone of these
8 verified SEALS, and you think they're better than
9 somebody else. And they're not.

10 They just went through something that someone
11 else did. Until such time S-633 is passed by the
12 House, then okay. But 633 has not been passed.

13 And right now it's being held up in the House,
14 because no one really -- they forgot about Title 38 and
15 Title 15. Right. S-633 is not being passed right now.

16 So I just think that's very important that you
17 know there are people out here who are really watching.

18 CHAIRMAN JOHNS: Okay. Thank you, Bob.

19 And again, I just wanted to re-emphasize
20 Bill's point. Certainly the recommendation about
21 Surety Bonding and any other aspect or the Task Force
22 considerations, please send it to us in writing. It

1 makes it a lot easier to make sure we're being
2 responsive to it.

3 MR. HESSER: I will.

4 CHAIRMAN JOHNS: Okay. Thank you.

5 Any other questions on the subcommittee
6 reports? Yes, sir? Good morning.

7 MR. DUKE: Good morning. My name is Robert
8 Duke. I'm with the Surety & Fidelity Association.
9 Just two quick comments, and we will follow it up in
10 writing.

11 First regarding the recommendation on surety
12 bonding. We can vouch for the increased focus by the
13 Office of Surety Guarantees, to try to increase the
14 participation of sureties, as well as contractors in
15 the program.

16 And we think looking at the level of guarantee
17 is a great step; increasing the limit, the contract
18 level of eligible contracts that can be guaranteed is a
19 great step.

20 I think that there are other recommendations
21 that we've made, along with the National Association of
22 Surety Bond Producers, to streamline the program, to

1 reduce the friction points that we think will go a long
2 way to increase participation.

3 So we'll kind of restate that in written
4 comments to the Task Force.

5 The second comment is in terms of the
6 government contracting recommendations. A suggestion,
7 perhaps, to take a look at procurement practices. What
8 we find, in many cases, that a barrier or a challenge
9 is the size of contracts that are being let.

10 Even under so-called small business
11 set-asides.

12 And in many cases, you have, you know,
13 lesser-capitalized entities. So it makes sense to be
14 aware that it doesn't make sense to put out a \$50
15 million hub-zone project or what not, if it's supposed
16 to be a small business set-aside.

17 And also to scrutinize, perhaps, more closely
18 bundling decisions, in terms of when or when not to
19 bundle contracts, and be cognizant of the effect it has
20 on small business opportunities.

21 Also, just in line with the prior comments, a
22 suggestion in terms of along the lines of procurement

1 practices, is to be cognizant of the effect that the
2 time span between a bid and a war has on the
3 contractor's backlog and bonding capacity.

4 As I said, I appreciate the time to make these
5 comments, and will follow it up with written comments.

6 CHAIRMAN JOHNS: Okay. Thank you, Mr. Duke.

7 Any other questions? Okay, the gentleman in
8 the back, and then the gentleman in the second row.

9 MR. WILSON: Good morning. John Wilson,
10 Disabled American Veterans. Hi, Bill.

11 A quick question on the Transition Assistance
12 Program, if I could.

13 I understood that the revised program from the
14 Department of Labor was originally scheduled to be
15 deployed November of last year. And if I recall
16 correctly from your comments, that you were looking to,
17 I believe test-drive the program like a Beta test,
18 perhaps, to see what people thought about it.

19 So what is the new time line, then, for the
20 DOL's portion of TAP to be deployed?

21 MS. TEMIQUEL: The curriculum was completed in
22 November. We did a short Beta test between November

1 and December. And now we're going to expand that to do
2 additional sites, TAP sites here, domestically.

3 So it's going to be a pilot rollout. We're
4 going to make sure that what we're rolling out
5 is -- we're going out to a wider audience on the TAP
6 side, and we'll be taking feedback from there.

7 So we do expect to be able to roll out TAP
8 domestically, the new TAP curriculum, starting July 1.
9 And it will be a rollout, a phased-in approach. So
10 it's not going to be turning the light switch on and
11 off.

12 So it will be throughout the rest of this
13 year.

14 MR. WILSON: So from July 1st of this year,
15 forward, you'll deploy. And you believe you'll have it
16 completely deployed by the end of this calendar year?

17 MS. TEMIQUEL: Yes.

18 MR. WILSON: Okay. Great. Thank you. Thank
19 you, ma'am.

20 CHAIRMAN JOHNS: Thank you.

21 MR. DOLAN: My name is Bill Dolan. I'm the
22 CEO of TTI Environmental, a service-disabled

1 veteran-owned small business. Ex Air Force.

2 I just want to add to Tom's issues and
3 comments about the verification. We're looking forward
4 to getting our verification. We're looking forward to
5 being a gold standard.

6 I just had to resubmit our second request for
7 reconsideration for my second denial. And I must say
8 it's when I thought I had clear ownership of my company
9 and I thought I had a clear ability to sell my stock
10 anywhere, well, now I do.

11 And it's an interesting exercise, and I
12 completely support it. One thing I do need,
13 though -- and Tom, I need to pressure you to do
14 whatever you can do to make it happen faster, you know.
15 We'd certainly appreciate it, because we have projects
16 that propose, that we know quite well that we're going
17 to win.

18 And I know, you know, the contracting people
19 are waiting for us to get this verification, you know,
20 things settled.

21 But I support you on that, because I
22 understand the issues why you're doing it. Because,

1 you know, it does need to be done.

2 But I must say, when I thought I had total
3 control of my company, well now I have even more
4 control, because of the exercise you folks, you know,
5 put us through.

6 And on one side note, my wife thanks you.

7 (Laughter.)

8 MR. DOLAN: Because now, unquestionably, the
9 stock is free and clear. Thank you.

10 CHAIRMAN JOHNS: Thank you.

11 MR. DOLAN: Go ahead.

12 MR. ELMORE: Bill, can I ask you a question.
13 Is the pending opportunities you have, is that with VA?
14 Or is that with --

15 MR. DOLAN: Yes.

16 MR. ELMORE: Okay.

17 MR. DOLAN: Yes, that's with VA.

18 MR. ELMORE: Okay. Thank you.

19 CHAIRMAN JOHNS: Yes?

20 MR. MCDONALD: Good morning. I'm Luis
21 McDonald, President of Autoflex, Inc. And we are a
22 verified service-disabled veteran-owned company.

1 I actually coming up here this morning, I
2 wanted to just take the opportunity to commend Madame
3 Chair for this Task Force and the interim report that
4 you've put out.

5 I've had a chance to review it, and I see
6 where some of the recommendations in there do reflect
7 some of the, you know, recommendations I made in my
8 testimony to you back in April of 2011.

9 And actually in the spirit of part of your
10 report this morning on the federal contracting side, to
11 identify and share best practices, that will help
12 maximize SDV participation with federal agencies, I am
13 very pleased to inform the Task Force that my SDV just
14 recently, during the holidays, was awarded our second
15 GSA schedule contract.

16 And that GSA schedule contract is one that
17 supports the Congress' and the Administration's goal
18 for the electrification of the federal fleet.

19 So we're very excited about that.

20 But it related -- our first order under the
21 GSA contract was a competitive process in
22 company-submitted offers, including ours. And I'm

1 pleased to report that we were the successful offer.
2 We were awarded, based on best value for technical
3 factors and price.

4 So we are very excited about model year 2012,
5 and getting some GSA schedule contracts that will help
6 us to grow to be able to hire and train veterans for a
7 program that I shared with you during the testimony
8 about VETCAR.

9 But I just wanted to thank you again. And
10 keep up the good work.

11 CHAIRMAN JOHNS: Thank you for recognition of
12 the Task Force's hard work, Mr. McDonald, and
13 congratulations to your company for this exciting new
14 work that you'll be doing.

15 MR. MCDONALD: Thank you very much.

16 MS. PARK: And I can add to that, just
17 congratulations. And I know that Bill Webster, who
18 oversees that whole portfolio, including FLEET, is
19 himself a veteran and is a large advocate for veteran
20 participation, both in his program as well as across
21 GSA, and has really been leading the charge to garner
22 support across senior executives, from the top, down.

1 So Bill Webster gets a lot of credit for that.

2 MR. MCDONALD: Absolutely.

3 Can I add to that, that Bill Webster,
4 actually, and Tony here, at the National Veterans
5 Conference, were talking about -- I learned about the
6 GSA Mentor Protege Program;

7 We're going to supplying Eaton Electric
8 Vehicle charging stations on our scheduled contract.
9 And we actually just applied for the GSA Mentor Protege
10 Program, which we're hoping that will further advance
11 our goals.

12 CHAIRMAN JOHNS: Okay. Very good.

13 All right. So let's move into the Public
14 Comment. And I'm sure we'll have some time for
15 additional questions, if there are any.

16 Ms. Barton from the American Legion Small
17 Business Task Force? If I could recognize you.
18 Welcome.

19 MS. BARTON: Thank you. Okay. Can everybody
20 hear me?

21 (Discussion held off record.)

22 MS. BARTON: I want to thank you for your time

1 today and your commitment to assist --

2 (Discussion held off record.)

3 CHAIRMAN JOHNS: Will this make it easier for
4 you?

5 MS. BARTON: Yes, I would really appreciate
6 that. Okay. Thank you.

7 CHAIRMAN JOHNS: You're welcome.

8 MS. BARTON: Good morning.

9 CHAIRMAN JOHNS: Good morning.

10 MS. BARTON: That's a lot better.

11 Thank you for your time and commitment to
12 assisting veteran-owned small businesses. My name is
13 Latonya Barton, and I'm here today on behalf of the
14 American Legion Small Business Task Force.

15 We have a number of suggestions to improve
16 opportunities for veteran business owners. But in the
17 interest of time, we will focus on two of the most
18 pressing issues.

19 First, VETS-First at VA. The Department of
20 Veterans Affairs is not first considering veteran-owned
21 small businesses, when procuring goods and services.

22 The Government Accounting Office sustained

1 Outdeaver and Kingdomware protests, alleging that the
2 VA did not consider SDBOs first, as mandated by the
3 President and Congress, under 38 USC 8127-8128;

4 Yet, the VA refuses to comply, and continues
5 to put veterans last on the contracting priority list.

6 The very agency, whose mission it is to serve
7 veterans seems to fight veteran entrepreneurs daily.
8 Senior procurement officials have stated that their job
9 is to help veterans, not veteran businesses;

10 And they are using strategic sourcing and
11 federal supply schedules to avoid doing business with
12 us.

13 VA even denies capable verified and certified
14 veteran businesses the opportunity to compete, when
15 they do have federal supply schedules.

16 The second most pressing issue is the mandated
17 minimum goal for all federal agencies to do at least
18 three percent of their business with service-disabled
19 veteran-owned small businesses.

20 The majority of federal agencies are not in
21 compliance. And more than three out of every four
22 simplified acquisitions valued at \$150,000 or less,

1 which are exclusively reserved for small business under
2 the Small Business Act, are going to large businesses.

3 This is just the tip of the iceberg. It's
4 true that we do need access to capital. We do need
5 bonding assistance. We do need training and education.

6 But if there are no opportunities, if there
7 are no federal agencies that will consider doing
8 business with a veteran, then the other -- won't.

9 If those of us who are educated, who speak
10 FAR, who have become verified, gotten the federal
11 supply schedule, and delivered SLEM product or service,
12 on time and on budget, can't be considered, and
13 struggle to succeed, then what hope have our brothers
14 and sisters returning from Iraq or Afghanistan?

15 There are no contracting opportunities for
16 veteran-owned small businesses. It's an empty promise.

17 Since this Task Force was commissioned by the
18 President, please tell him that what we need most is
19 accountability, compliance, and enforcement.

20 We have laws in place to benefit
21 service-disabled veteran-owned small businesses. But
22 they are not being followed.

1 Who will hold the agencies, especially the VA,
2 responsible for their inactions? We need our commander
3 and chief now more than ever.

4 Would you consider a subcommittee on
5 compliance, accountability, and enforcement? If anyone
6 would like to discuss the Legion's Small Business Task
7 Force's sentiments and recommendations further, please
8 let me know.

9 I do thank you again, for your time and
10 consideration. And hopefully someone will listen and
11 take action.

12 I do have another comment that I want to make.

13 In regards to the set-aside for the GSA
14 schedule, great step forward. But one of the problems
15 with this is that it's a "may" thing. It's not
16 something that is a "shall" clause.

17 So it's totally at the discretion of the
18 contracting officer. Even though it's available. and
19 three-quarters of the contracts under the simplified
20 acquisition threshold are going to large businesses,
21 through the use of the GSA schedule.

22 Because contracting officers, although they're

1 just now getting educated about the recent put-outs
2 from the GSA to help set things aside, are not using
3 them.

4 So if they're not using them, if they're not
5 willing to use them, if they're not educated on them;
6 and we're out here and we're getting certified, and
7 we're getting verified, but nobody's even considering
8 us to get a contract, that puts us at a real loss;

9 That all of the veterans that are going to be
10 out, the million that was talked about before, that may
11 potentially start businesses, you know, if nobody is
12 going to consider us, that we go through all of what it
13 takes -- we provide the superior product or service,
14 we get the GSA schedules -- but the agencies are not
15 complying, then nobody is enforcing or making them live
16 up to those standards, we go out of business;

17 We've failed. We're not considered as equals,
18 even though we're jumping through hoops, we've served
19 our country and we've done everything we can to put the
20 best foot forward to serve our country in the veteran
21 business capacity.

22 So, you know, we would appreciate your

1 considerations in this area.

2 In addition to that, if you guys would
3 consider standardized reporting of results with a
4 subcommittee on compliance and accountability and
5 enforcement, those that are small business task force
6 can recommend from the American Legion, so that results
7 that an agency reports from one agency, GSA, how they
8 report their service-disabled veteran status and their
9 actions and obligations.

10 It's not completely different from how the VA
11 does it. It's not completely from how, you know, USAID
12 or DOD does it, a standardized way; so that there can
13 be an equal comparison made amongst all of those
14 things, that would -- because as you all know, we can
15 make numbers say anything we want them to say -- that
16 would go a long way forward to help with the compliance
17 and enforcement.

18 Thank you.

19 CHAIRMAN JOHNS: Thank you, Ms. Barton. And I
20 just want to assure you that the issues of
21 accountability and compliance are definitely at the
22 forefront of the work.

1 I mentioned the meetings that Valerie Jarrett
2 hosts. That's the meeting, it's on accountability and
3 compliance.

4 And specifically the simplified acquisition
5 threshold, that issue was on the agenda for our last
6 meeting this fall.

7 And the reason it was is the SBA had
8 commissioned a study to look at how we were doing
9 government-wide, in meeting the requirements of the
10 simplified acquisition threshold. And we found what
11 you have found, as well:

12 That we're not doing the job that we can do.
13 It's a significant opportunity for us to do better in
14 small business contracting.

15 So in addition to the meeting at the White
16 House with Ms. Jarrett, the other thing that we've done
17 here at the SBA is I have had calls with deputy
18 secretaries from the largest federal procurement
19 agencies. So Defense, NASA, Homeland Security, et
20 cetera.

21 And I have said to them specifically to take a
22 look at what you're doing in the area of simplified

1 acquisition threshold; told them what their numbers
2 were and what their opportunities for improvement are.

3 And everyone has committed to taking a look at
4 to doing better.

5 Because what I found in the conversation is
6 that this had just kind of fallen off the radar screen.
7 That's not an excuse, and it's not acceptable.

8 But there is definitely a light that is now
9 shining on that opportunity for increasing small
10 business procurement.

11 And in your comments about standardized
12 reporting and how we're doing government-wide, what I'm
13 going to ask is that our Office of Government Contract
14 and Business Development prepare a report for the Task
15 Force to put on our next agenda, to give a fuller
16 understanding of what data we collect at the SBA in
17 terms of small business procurement;

18 So that we can demonstrate what those numbers
19 are, where we're doing a good job, where there is still
20 room for improvement, et cetera, to help create some
21 sort of a baseline of understanding for the data that
22 we collect, which is across federal agencies.

1 MS. BARTON: Okay. I appreciate that.

2 CHAIRMAN JOHNS: Okay.

3 MS. BARTON: Would you all take
4 recommendations in that area?

5 CHAIRMAN JOHNS: We'll be happy to take your
6 recommendations, and I would welcome and e-mail or any
7 submission that you would care to give us, that you
8 want to put on the record.

9 We would look forward to that.

10 MS. BARTON: Okay. And so I just send those
11 to Mr. Snyder?

12 CHAIRMAN JOHNS: You can send those to Dick
13 Snyder. You can also submit them through
14 Dan.Jones@SBA.gov, as well.

15 MS. BARTON: Okay.

16 CHAIRMAN JOHNS: And we can make sure you have
17 all that before you leave this morning.

18 MS. BARTON: Okay. I appreciate that. Thank
19 you.

20 CHAIRMAN JOHNS: Okay. Thank you for coming
21 and thank you for your comments.

22 Next, Mr. Jones. Herbert Jones, from Gymbar

1 Enterprises?

2 MR. JONES: Good morning. I'm Herbert C.
3 Jones, Jr. I'm a retired colonel after 30 years of
4 service in the United States Army. I've completed two
5 tours in Iraq.

6 And I'm currently the Vice President and CFO
7 for two service-disabled veteran-owned companies,
8 headquartered in Hampton, Virginia.

9 Our businesses are: Gymbar Enterprises, a
10 construction company; and ARTI, an IT and training
11 company.

12 I'm here on behalf of our President and CEO,
13 Robert Holmes, who could not be here, because he's in a
14 business development meeting with the Smithsonian, as
15 we speak.

16 Our chief operating officer, Mr. Holmes, and I
17 are all veterans. Mr. Holmes and I are both
18 service-disabled veterans.

19 Thank you for allowing me to speak this
20 morning. I applaud you on what the Task Force is
21 doing. Our Congressman, Bobby Scott, recommended that
22 we attend this forum this morning, to share our

1 experiences with the service-disabled veteran-owned
2 small business verification process, as it's currently
3 managed by the VA and the Center for Veteran
4 Enterprises, or VACVE.

5 Our experiences were closely tied with the
6 Interagency Task Force Veterans Small Business
7 Development Report Recommendation No. 14, that being to
8 develop a streamlined, efficient, and clear
9 certification process to be used by veteran and
10 service-disabled-owned businesses in federal
11 procurement.

12 I sat here and listened to Mr. Leney talk
13 about the integrity of the verification process for
14 service-disabled veteran-owned businesses. And from
15 our perspective, there is no --

16 I'd like to provide some of the issues we've
17 been dealing with.

18 Prior to the signing of the Veterans Benefits
19 Act of 2010, Gympar Enterprises was a self-certified
20 service-disabled veteran-owned business, and doing
21 business as a subcontractor with Clark Construction,
22 working on WHS BRAC 133.

1 It's a project in Northern Virginia on I-95.
2 If you're coming from Virginia, you'll see at the
3 Seminary Road exit. We did the drywall for the entire
4 building, a \$30 million project.

5 In April of 2009, we were recognized as a
6 subcontractor of the month. We also are a sub to Clark
7 Construction on the Coast Guard Headquarters currently
8 being built here in Virginia.

9 And we also are participating in the
10 Mentor-Protege Program with Tapestry for our ARTI
11 piece.

12 After the Veterans Benefits Act of 2010 was
13 signed, the VA decertified all service-disabled
14 veteran-owned businesses, and removed them all from the
15 VETBiz.gov database.

16 CVE conducted an on-site inspection of our
17 office in April of 2011, and as results of this visit,
18 our IT company was reverified, and Gymbar was not.

19 Now understand, our IT business has no
20 business, no contracts, no revenue, no profit. Gymbar,
21 our construction company, has two large government
22 contracts right now, \$30 million, several smaller

1 contracts, and for the past 13 months we've been
2 fighting with the CVE to get reverified.

3 We've sent numerous letters, hundreds of
4 e-mails, made countless phone calls to the VA. And
5 it's been horrific, extremely frustrating.

6 We finally contacted our Congressman,
7 Congressman Scott, in August. For four months, the CVE
8 simply ignored Congressman Scott's inquiries.

9 Finally, right before Christmas, the
10 Congressman's staff arranged a joint telecom with us,
11 his office, and Mr. Leney. And Mr. Leney stated that
12 the reason Gymbar was not reverified was because our
13 President and CEO spends full time on ARTI, the IT
14 company, that has no business and has never had any
15 business.

16 And on the other hand, we have a construction
17 company, and we have \$30 million in contracts. So
18 where do you think the focus of his effort is? It's on
19 Gymbar, not on ARTI.

20 We hear Mr. Leney continue to say that he
21 spends all his time on ARTI.

22 In his telecom, we told him "You have a

1 quality control problem. If you let this slip through
2 the cracks, you have a quality control problem."

3 So there are a couple of issues here. Number
4 one, the VA doesn't follow its own regulation, 38 CFR
5 Section 74.4 C1, Title Single Business Full Time
6 Control reads: "Owners need not work full time but
7 must show sustained and significant time invested in
8 the business. And a veteran can have two businesses
9 verified under that."

10 Real clear.

11 Secondly, nowhere in our documents do we ever
12 say Mr. Holmes spent full time on one company or
13 another. Mr. Leney continues to tell us that we said
14 this.

15 So, again, even if you follow Mr. Leney's
16 logic that Mr. Holmes works full time for ARTI, it
17 doesn't pass the common sense test.

18 Again, ARTI has n contracts, no revenue, no
19 profit, no business. Gymbar, on the other hand, has
20 several multi-million-dollar contracts and several
21 smaller contracts. It's clear where Mr. Holmes and our
22 leadership focuses.

1 This was pointed out to Mr. Leney. He was
2 told his organization had some quality control issues.
3 He came in on the conference call, surprised to know
4 that ARTI had no business.

5 He didn't do his homework.

6 He said he would have one of the staff members
7 conduct a quality control audit. He said he couldn't
8 tell us how long it was going to take. It would take
9 weeks to months.

10 He promised us he would give us a written
11 report.

12 Ten days later, miraculously, we got an e-mail
13 saying Gymbar still was not reverified. We asked,
14 "Where was our written report?" He didn't provide it
15 to the Congressman, or to anybody. To date, we still
16 have not received that report.

17 I could go on. This is just a short synopsis
18 of what we've been dealing with.

19 So in closing, I would just like to say that
20 the CVE, as far as we're concerned, the CVE is
21 vindictive, subjective. They're not objective in how
22 they make their determinations.

1 You know, Mr. Leney, you have all our tax
2 records, and it's clear everything I just said.

3 So in closing, if consolidation of the small
4 business verification process is under the purview of
5 the Small Business Administration, and if that would
6 make certification, verification of the small business
7 arena, like women, you know, any type of verification
8 vested under the SBA, we're all in favor of that.

9 Because right now, from, you know, our small
10 perspective, it's hurtin' us.

11 Every time we ask a question, we get an answer
12 about the general counsel. We're a small business. We
13 have less than 50 employees. We do a great job. You
14 know, we're probably going to be included on a
15 construction project in New Orleans.

16 But you know, we can't get reverified by the
17 CVE. And they say they're veteran-friendly. We
18 haven't seen it.

19 So I'm glad to answer any questions that you
20 all may have of me.

21 But we're also working through our Congressman
22 to get an audience with Secretary Shinseki, because we

1 can't get any help here.

2 So.

3 CHAIRMAN JOHNS: Well, Col Jones, thank you
4 for coming today.

5 MR. JONES: Mm-hmm.

6 CHAIRMAN JOHNS: Thank you for your statement.
7 And I had the honor of being with Congressman Scott in
8 Richmond last Friday.

9 MR. JONES: Mm-hmm.

10 CHAIRMAN JOHNS: And we had a small business
11 roundtable at that time. And there were issues raised
12 about veteran-owned businesses, and certainly made the
13 small business owners aware of this meeting.

14 And so I'm very happy that you took advantage
15 of the opportunity to be here.

16 MR. JONES: Yes, ma'am. Yes, ma'am. And what
17 we're experiencing is no uncommon. So.

18 CHAIRMAN JOHNS: Again, thank you for your
19 statement. I greatly appreciate it.

20 And so what we will do -- clearly, this is
21 something we can't get into a full discussion about in
22 this setting. But your comments are duly noted, and

1 I'll be --

2 MR. JONES: And we'll submit this in writing
3 to whoever we need to submit it to.

4 CHAIRMAN JOHNS: I'll be seeing Mr. Leney, and
5 see how can work through this situation. And we will
6 be back in touch with you.

7 MR. JONES: Thank you very much.

8 CHAIRMAN JOHNS: And thank you again for
9 coming.

10 Any other questions or comments?

11 Before I call on repeat commentators, is I may,
12 Joe, did you have your hand up?

13 MR. WYNN: Yes. I want to make some comments.

14 CHAIRMAN JOHNS: Please.

15 MR. WYNN: Good morning. First of all, my
16 name is Joe Wynn, a member of the National Association
17 of Black Veterans, and also the Veterans
18 Entrepreneurship Task Force. I'm really pleased to be
19 here this morning.

20 And let me thank you, Ms. Johns, for
21 coordinating and continuing to coordinate the efforts
22 of the Task Force members with this particular group.

1 And looking over the recommendations, I can
2 see that over the past year, a lot of the things I've
3 heard discussed in this room were included in the
4 recommendations from all the subcommittees.

5 So I appreciate that.

6 Sorry to hear, though, that Bill is going to
7 be leaving us. You know, I've been here since that
8 office started, and we're hoping that it's going to
9 continue to support our veterans in its efforts, and
10 that you'll still be close by.

11 CHAIRMAN JOHNS: I can assure you, if I may,
12 that the office and the focus on veterans
13 entrepreneurship from this agency will not at all
14 diminish. We certainly will miss Bill; but we're going
15 to cast a wide net to find a great leader to come
16 behind him and to carry on the good work.

17 MR. WYNN: Good. I hope so.

18 Just a couple of comments with regard to some
19 of the recommendations. One in particular.

20 Providing more support for new veteran
21 business startups. You know, we're doing a lot with
22 the promoting the use of veterans in the federal

1 marketplace.

2 But of course, you know, there is that
3 requirement in most instances, where we're looking for
4 those businesses to have at least, what, a minimum of
5 two years' experience.

6 But we've got returning veterans now from the
7 Guard and Reserve. We want to try to give them, we're
8 talking about opportunities for entrepreneurship.

9 And so they're coming into business or want to
10 come into business with less than two years. But we
11 want to find ways to get them engaged. And we don't
12 want to penalize them, if they bring on a teaming
13 partner or employ others that have more knowledge or
14 expertise than them.

15 So you know, there's a view by some that if
16 you're not the most experienced person in the company,
17 maybe you don't have control of the company.

18 But think about that in terms of having a new
19 business startup. You want to get into a line of
20 business that you may be passionate about. And you
21 don't have the necessary background and knowledge.

22 So you have to team and partner with somebody

1 who can help you on your way. So keep that in mind.

2 Also, there was a mention about creating a
3 national standardized veteran's training program. Of
4 course, some of us have been around also where we had a
5 national veterans corporation, that for various reasons
6 is not operational now.

7 But we still need one. I agree with that in
8 the recommendation about trying to do that.

9 And also a national veterans business
10 database. Many agencies and large prime contractors
11 are looking to find a source of veteran business
12 owners. It's been debatable now as to whether they can
13 go to the VA, VIP database for that, particularly in
14 light of the fact that so many veteran businesses who
15 were in there are no longer in there, because of the
16 process used at the VA.

17 So where do these other agencies and large
18 primes go to find veteran businesses to do business
19 with?

20 So we need a database.

21 And with regard to the verification process
22 being used at VA. This particular Task Force, I know,

1 has had Mr. Leney and VA focusing on the process that
2 the VA also in light as possibly being a model for all
3 the federal marketplace, for all federal agencies.

4 And I would just say to this Task Force to
5 look at that review that closely before supporting a
6 recommendation. Because, as you just heard from this
7 gentleman here, we are receiving through the group I'm
8 working with, we're constantly receiving a lot of
9 frustrated veteran business owners, who, as was
10 mentioned in the report here, veteran and
11 service-disabled veteran businesses have been
12 increasing in the number of contracts throughout the
13 federal agencies.

14 Now if that's true, we don't want to see a
15 decline and a decrease in the use of veteran businesses
16 because of a burdensome verification and certification
17 process.

18 So I just ask that you be mindful of that.
19 And of course, we want the integrity of a program. We
20 want to make sure that veteran businesses are, in fact
21 veteran businesses.

22 But let's not create ways that they are not

1 able to operate.

2 And just a closing comment on Recommendation
3 15, talking about support, the use of GI bill benefits
4 for small business creation and activities, that we're
5 asking;

6 And also by work with the Vietnam Veterans of
7 America, their Economic Opportunities Committee has
8 asked that this committee explore that, continue to
9 explore that recommendation;

10 Because it's beginning to gain some support
11 throughout the veteran community as a another viable
12 option for the use of capital and resources for
13 particularly our new veteran business owners.

14 And also throughout all of the
15 recommendations, most of them being coordinated and
16 recommended for implementation by the SBA, DOD,
17 GSA -- DOL, as well -- but we'd also like to see
18 hopefully that you're engaging the other federal
19 agencies to look at ways to offer solutions and to
20 increase contracting opportunities for veterans and
21 service-disabled veterans.

22 Thank you.

1 CHAIRMAN JOHNS: Thank you very much.

2 Okay. Bob, you'll have the last question or
3 comment?

4 MR. HESSER: I have testimony.

5 CHAIRMAN JOHNS: Oh, testimony, all right,
6 thank you.

7 MR. HESSER: Bob Hesser from the Veteran
8 Entrepreneurship Task Force.

9 (Discussion held off record.)

10 MR. HESSER: The first thing is that my name
11 is Bob Hesser. I'm the first vice chairman of the
12 Veteran Entrepreneurship Task Force. We represent
13 something like 200 organizations.

14 There is an appellant authority for small
15 business or a contracting officer to protest the
16 company's sides: OHA, Office of Hearing and Appeals.

17 They understand the laws and regulations
18 governing size. They have qualified judges with many
19 years of experience dealing with small businesses.

20 The Center of Veteran Enterprise often denies
21 verification to veterans, who self-certify that they
22 are the VOSB or -- excuse me.

1 There is no appeal if the veteran does not
2 agree with CVE. In fact, decisions made in the CVE
3 have ruined companies, who were more than willing to
4 provide those facts, because of CVE's slowness or
5 bureaucratic delays.

6 It is requested and recommended that OHA hear
7 appeals on verification denials issued by CVE.
8 Presently in CVE, sometimes it will go to general
9 counsel. Sometimes it does not.

10 Mr. Leney had mentioned it was a possibility
11 or maybe it would be doing it now, of forming something
12 inside CVE or supported by CVE, that would be kind of
13 an appeal, that would look at everything.

14 Buy I think that we, the VET-Force, does not
15 think that's right, because it's still internal.

16 OHA is excellent. I think, take it on.
17 Because they know what they're doing. They've been
18 there for years. And I just think that would an
19 excellent place for them to kind of take care of some
20 disputes.

21 So that's just a separate arbitration group.

22 The whole point is the VA should not be doing

1 it.

2 My second one. Recently VET-Force became more
3 involved in a problem a veteran has encountered. After
4 inquiring of numerous agencies, we found that the
5 problem is beyond our imagination. I could not believe
6 how big this is.

7 Throughout the VA, we discovered that an
8 annual \$3.5 billion has been spent using credit cards,
9 used by mostly GS-7/11 employees, without contracting
10 officers' involvement. They estimated an average
11 purchase of \$1,500 to \$2,000.

12 These open purchases are mostly from
13 billion-dollar companies, not to the federal supply
14 schedule. VA has a habit of using federal supply
15 schedules, and they're saying that that's not part of
16 VET-Force.

17 So now here's another one that they're not
18 doing.

19 This is an annual \$3.5 billion that VET groups
20 own companies are not given an opportunity to bid on.
21 Veterans have tried to bid on them, and they've been
22 told "No."

1 The facts of these illegal actions have been
2 provided to the Under Secretary of the VA. They've
3 been provided to every level, from the Chief of Staff
4 down to the individual who was in charge of all credit
5 cards. And she has told us that she cannot do anything
6 about it right now.

7 We know this is occurring throughout the
8 federal government. We just don't have enough
9 information. But we know multiple purchases, each
10 under a micro-threshold --

11 Oh, that's another one. They're
12 combining -- they have a \$5,000 -- let me see, a
13 \$15,000 procurement. And they make three or four,
14 five, six credit card buys.

15 That used to really be against the law. I
16 don't know if it is now. But they're doing it.

17 Again, we have facts.

18 Some purchase card changes are trained and
19 some were not. We also got those statements from the
20 upper management in the VA, and we've had it from a
21 couple other agencies. But we're not stopping on this
22 one.

1 In the VA, we do have facts to back up our
2 claims, but we do not yet have strong information.

3 I apologize. I see here, I've provided you a
4 copy of the OMB letter. I forgot to print it.

5 But what it is, the OMB has recognized, and
6 they've went out and requested that training be given
7 to the top manager of the credit card in each agency.
8 And then down the road in training them that small
9 business should be given what they're supposed to be
10 getting.

11 So OMB 19th of December.

12 I really apologize for not bringing it today.
13 I got here, got out too fast.

14 No, that's my testimony down in my car. You
15 know, one of those days.

16 But this is really a serious problem with
17 these credit cards. I mean, we're talking across every
18 agency. We just happened on VA, because we've been
19 picking on the VA recently, and that's the only reason
20 we have those kind of figures.

21 Plus, I have hundreds of veterans contact me
22 in a month.

1 The VET-Force brings us to the Task Force
2 recommending that stern regulations set forth in agency
3 senior card manager, that businesses will be
4 used -- small businesses -- when they can provide the
5 product at equal and equal cost.

6 It's all in my testimony.

7 The whole point is this: We need something
8 with teeth. That memorandum that comes from OMB, it's
9 kind of wishy-washy. It says they want you to do this,
10 normal things from OMB. There is no real meat to it.

11 OFPB, never meat. You need something that
12 says, "Do it."

13 And I testify, we testify, VET-Force supports.
14 But American Legion just said, "We have a lot of laws
15 out there, we have a lot of regulations, they just have
16 to enforce it, and follow them. That's all that really
17 needs to be done."

18 And this credit card's a shame. I mean, we're
19 talking about billions and billions and billions of
20 dollars, that we've not even had a chance to bid on.

21 And in this particular one, one veteran was
22 hollering that he's had about \$150 million to \$200

1 million of prosthetics. He can offer those same
2 prosthetics from the same manufacturer to the same
3 people for 20 to 30 percent less. But he doesn't even
4 get a chance.

5 One women -- and we have -- this has been read
6 now very closely that it's been said -- she said "When
7 the President calls me and tells me to buy from you,
8 I'll do it."

9 That's the kind of results we get when we call
10 the contracting officers. They just say, "We'll do it
11 the way we want to do it."

12 Why don't they do it this way? Not because
13 they hate vets; they do it because it's easier.
14 They've been dealing with the same billion-dollar
15 company, buying from the same ones, all the time.

16 Hey Jim, hey Joe, you know. Boom, boom.

17 It's not anything, you know, I'm not
18 suggesting any graft or anything like that. I'm just
19 suggesting it's easier for them to do it. The same
20 reason they use federal supply schedules against small
21 businesses. That's why they do that.

22 So please work in regulation to stop this

1 credit card thing. It's very serious.

2 CHAIRMAN JOHNS: Okay. Thank you very much,
3 Bob, for the statement that you've provided for the
4 record. Jeff will be talking further about the issues
5 that you've raised.

6 Okay. I saw Mr. Weidman come into the room.
7 So did you have a statement this afternoon? Or it's
8 almost afternoon. This morning?

9 MR. ELMORE: It will be afternoon by the time
10 Rick's done.

11 (Laughter.)

12 CHAIRMAN JOHNS: That was a Freudian slip
13 there.

14 Happy New Year to you.

15 MR. WEIDMAN: And to you, ma'am.

16 When I was young, before I was totally
17 corrupted by meeting this guy from St. Louis, by the
18 name of Omar, I was taciturn.

19 (Laughter.)

20 MR. WEIDMAN: And a man of few words was my
21 reputation. And then I met Elmore. That was my
22 downfall.

1 I bring you greetings from the Chamber, which
2 is why I was tardy this morning, in a meeting with the
3 Small Business Task Force to complement the Hiring our
4 Heroes Job Fairs, that the Chamber is doing across the
5 country.

6 There will be 400 job fairs this coming year.
7 And they did a hundred in a period beginning March 28th
8 of 2010, and ending at the end of March of this year.
9 And they just did two in the last ten days.

10 And the effort there -- and they know, they
11 understand that the small business is where the jobs
12 are, and that we've got to reach the small business in
13 order to make a dent in veterans' employment.

14 Job fairs are not a particularly efficient way
15 to do job placement. And they know that. But the
16 issue here is raising consciousness and going into
17 communities and doing networking among all the
18 resources in that community.

19 And their discussion this morning was about a
20 playbook, if you will, that is left behind about "How
21 do you put all this stuff together and continue it 364
22 days a year, after the job fair, and whoop-de-doo?"

1 And that is really key.

2 Kevin said that Schmeigel, retired Marine
3 colonel, said he hadn't been invited. And I said I
4 will be presumptuous, and on behalf of Ms. Marie Johns,
5 I'll invite you.

6 And I know she and her colleagues would be
7 delighted to see you. And so we'll make sure that he
8 gets invitations to come to your next public meeting.

9 Bob Hesser noted the fact that we've been
10 picking on VA. And I'm not sure that's the right word.
11 But we've been directing a lot of attention to VA,
12 particularly to the Center for Verification and
13 Evaluation.

14 We had an excellent meeting yesterday with Mr.
15 Leney, talking about sharing ideas from the veterans'
16 business organizations about the renewal process, and
17 how can we do that in a way that makes sense and
18 doesn't add to this ongoing pile-up of the backlog in
19 getting businesses verified?

20 And so that was actually one of the most
21 positive things that we've seen there in a long time.

22 The discussion this morning, though, really

1 focused around the fact that what do veterans want who
2 are coming home? What do veterans want who have been
3 home for a while?

4 What they want is a way to earn a living.
5 They may be self-employment, that may be a job. That
6 may be a micro-business, hopefully growing into a small
7 business. There are many different ways.

8 But what they're interested in is a way to
9 have meaningful work at a living wage. And what we
10 haven't been doing with those hiring-our-heroes events
11 is building in either sequencing small business
12 awareness sessions, either before or after, in the same
13 locality;

14 And as we build that infrastructure, if you
15 will, or serve as a catalyst for them to build it in
16 each community that we go into, the key is to make sure
17 there is a leave-behind, to reach out to the PTACs.

18 Ramona was there representing SBA and did an
19 excellent job, marshalling all of the SBA, SBDC, and
20 the National Franchising Association; other DOD besides
21 the PTAC, resources that may be in the area, and plus
22 the DVOPs and LVRs from Labor, that are all

1 participating in the effort about: How do you welcome
2 back people to the community?

3 We're going to have a return to civilian life
4 in the next year, the largest returning group since
5 1991 and '92. And then the economy wasn't able to
6 absorb them, and it resulted in a recession. You had
7 so many more people out of work.

8 We obviously do not want a repeat of that in
9 2012 and 2013. And part of the way to do that is to
10 get people into business for themselves, or
11 self-employment, micro-business, et cetera.

12 And so the thinking about to piggyback off of
13 this tremendous publicity that hiring our heroes has
14 created, to take the next step forward, we think is, at
15 VVA and at the Veteran's Task Force, is a tremendous
16 opportunity that we should not waste.

17 There are many problems in a litany that I
18 could go through, all of which have been shared here in
19 the past. GSA and Jiyoung Park and Tony have done a
20 tremendous job of trying to turn things around there.

21 But we still have problems with the delegated
22 authority to the VA on their FFS schedule, particularly

1 into what they call "strategic sourcing," which, of
2 course, sounds great. That must mean it's going to
3 help the national defense.

4 It doesn't mean that at all.

5 It means that if I can buy cook ware from Bill
6 Elmore 20 percent cheaper, but he's not on the GSA
7 schedule, and I'm in a federal entity in Michigan, and
8 he's in Detroit and he wants to sell me that, I've got
9 to pay 20 percent more and go to the schedule, because
10 they're ordering contract officers to do so.

11 Or freezing Bill off, because he doesn't
12 manufacture the expensive stoves. Well, most small
13 businesses don't, by definition, can't do manufacture
14 of expensive equipment. But they can sell it and
15 represent the manufacturer.

16 But what they're doing is saying they're
17 resellers. Now nowhere in the FAR do we find the term,
18 "reseller."

19 And they're borrowing people -- small
20 businesses, veteran-owned small businesses and
21 service-disabled-veteran-owned small businesses from
22 getting on that delegated authority, the VA federal

1 schedule; and then turning around and ordering their
2 contract officers that they, instead of under the
3 VET-First law, where they should be going to the
4 service-disabled vets, they're going to the FSS
5 schedule, instead.

6 And they're not even doing the FSS schedule in
7 a way that we would consider to be legal and/or proper.

8 I hope that one of the upshots of this group
9 and your recommendations is going to be, with GSA, is
10 to do the workshops.

11 The workshops you have in Washington to help
12 people get on the schedule, are terrific. The problem
13 is, they only happen in Washington;

14 And we need to make them happen across the
15 country, and find a way of replicating them with a
16 combination of taping and Internet stuff, and having
17 some people on the ground to answer questions, and to
18 literally pull people through each step of the process
19 of "How do you get onto the GSA schedule?"

20 Because even fairly sophisticated small
21 businesses have no clue as to how to make that work; or
22 what a tremendous difference it will make in their

1 company, from that point forward.

2 I want to reiterate publicly what I told to
3 Ms. Johns, when we met in a small group just before
4 Christmas. Your interim report -- and I've been around
5 forever, pounding away on these issues -- that's the
6 best doggone document that I've ever seen come out of
7 this agency.

8 And I want to complement you, and the work of
9 all of you on this Task Force.

10 (Applause.)

11 MR. WEIDMAN: And I look forward to working
12 with you, not only on the successor report, but also in
13 working with you and folks at OMB and the White House
14 in terms of getting broad implementation.

15 One other thing I should mention, and I
16 neglected to before: I want to complement both the VA
17 and DOD now, for putting in all decision-makers and
18 senior managers evaluation whether or not they're
19 achieving the minimum three percent goal for
20 service-disabled veteran-owned business.

21 And it's amazing how reasonable people can be,
22 once you have secured their full attention. And that

1 will do the trick.

2 And we thank you for it. And pass that on to
3 Mr. Carter, if you will, for us. And obviously pass it
4 on to Scott as a Chief and a Secretary at VA.

5 Again, I thank you.

6 CHAIRMAN JOHNS: Thank you very much.

7 All right. We are at the end of our time.
8 And I want to again thank this Task Force. There have
9 been a number of bouquets expressed this morning. And
10 I am very grateful for your recognition and
11 acknowledgement of the Task Force's excellent work over
12 the past year.

13 And again, thank you to those who
14 participated, but have moved on from the Task Force.

15 Remember to send us recommendations for new
16 members, because we're eager to get back to full
17 capacity.

18 And we than you, members of the public, for
19 coming, and for your input. It's always very useful
20 for us, and we greatly appreciate you taking the time
21 to be here.

22 We will be in touch to let you know the time

1 for our next meeting. In the meantime, continue to be
2 in touch with us, with recommendations and input on any
3 of today's discussion or other issues that you want to
4 bring before us; and also with suggestions, perhaps, or
5 agenda items that you would like to see at upcoming
6 meetings.

7 Thank you very much, and have a good weekend,
8 everyone.

9 (Whereupon, at 11:45 a.m., the meeting was
10 concluded.)

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