

SMALL BUSINESS ADMINISTRATION
INTERAGENCY TASK FORCE ON VETERANS
SMALL BUSINESS DEVELOPMENT

PUBLIC MEETING

Friday, June 6, 2014

9:00 a.m.

Eisenhower Conference Room
409 3rd Street, S.W.
Washington, D.C. 20416

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MEMBERS PRESENT:

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Barbara Carson, SBA

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Anthony Eiland, Office of Small Business Utilization, GSA, Program Manager, Mentor-Protégé Program

Joe Wynn, National Association Black Veterans, Vet Force

Stanley Fugi, SBA

Capt. Richard Balzano, DOD

Mathew Blum, OMB

Joe Wynn, VET-Force

Dan Dellinger, American Legion

Marc Goldschmitt, Goldschmitt and Associates

Rick Weidman, VVA (By telephone)

Tom Leney, VA (By telephone)

David Boddie, Federal Allies (By telephone)

Shirley Bailey, GCC Technologies

Paul Ingnosh

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I. Opening Remarks From Rhett Jeppson

MR. JEPPSON: So I think we'll go ahead and start here informally and we'll wait until we get our fifth member to go on the record. So, anyway, a little bit frustrating, we'll tell you that we had everyone confirmed here except for Treasury, who had conflict and asked to be excused. So it's a little bit frustrating, but it is what it is, not much I can do about it at the moment.

So with that said, as many of you know, today was D-Day. We actually had a video that we would love to show you commemorating D-Day. It's pretty impressive, but we've run into technical difficulties within the building here. Anyway, so for those of you who didn't know, today is the 70th anniversary of the invasion of Fortress Europe, a pretty manly event. I don't think there were many Marines who participated in that; Navy, Air Force and Army, though.

So I wish I was actually there today, you know. It would have been cool, having been there a couple of times. I think many of us have. It's awful

1 impressive. And I'll tell you that the VA has
2 certainly come under scrutiny, a little bit; but I will
3 tell you that as you go and visit those sites there,
4 they do an exceptional job with the monuments there on
5 the grounds, and that they really do reflect what a
6 special place it is. And so I'll tell you I've enjoyed
7 my time there. So with that I just want to cover a
8 couple of things that have changed since the last time
9 we met, and then we'll kind of proceed to the program.

10 I think today will be a short meeting, to be
11 honest, just because we don't have many people here.
12 But the first thing is that we have a new administrator
13 now, who's on board. Unfortunately, she won't be able
14 to make it with us today, but we'll have her here next
15 time with us and look forward to it.

16 So just Maria Contreras-Sweet, a big fan of
17 veterans within her first week, we actually attended a
18 Boots to Business class, and within the first two hours
19 she actually held a meeting with several vet and small
20 business owners to hear their concerns and what they
21 felt that we could do to support the veterans community
22 more.

1 So, here we go. We've got a full quorum, so
2 we can go ahead and actually officially start.

3 Okay. So now that we've got the whole body,
4 let's rock and roll. As I mentioned today, I think
5 we'll be fairly short, much shorter than the past and
6 -- So what I'd like to do is just run through the
7 schedule, and then we'll spend a little bit of time
8 organizing ourselves here, because I think it's about
9 that time. We've kind of let this thing kind of peak
10 since Marie was here, and it's kind of fallen off a
11 little bit here. And we need to probably think about
12 how we've kind of reenergized things a little better.

13 So having said that, we just talked a little
14 bit about today -- Matt and Bruce about today -- the
15 70th anniversary of D-Day. And, certainly, we'll take
16 a moment to remember and reflect on that important day
17 in our history. The day that forever changed the
18 world, I guess, is what I read in captions this
19 morning.

20 So let me give you just a couple of updates on
21 what's happening out of SBA. And I'm not trying to get
22 too much into the training counseling piece.

1 So the last time we met together, we had one
2 of the members of the NEC come over and brief the Vets'
3 working group that was held at the White House and some
4 of the outcomes of that. There are a couple of things
5 that are ongoing right now that I'll call to your
6 attention. The first is joining forces, SBA, and NEC
7 are working closely with ABC. And I don't know if
8 you're familiar with "Shark Tank," they've got a
9 casting call out and they've actually got the group
10 cohorted now. We're trying to go through the details
11 on that, but there will be a vet's version of "Shark
12 Tank," an episode with veterans in it to highlight
13 veteran entrepreneurs.

14 In conjunction with that, the White House
15 announced will be doing a Champions of Change for
16 Veterans Entrepreneurs, and possibly will have a couple
17 of the sharks in some of them there as well for that
18 event. So that's going well. One of the other things
19 that came out and that you'll hear more about in the
20 coming weeks is we're calling it Boots to Business
21 Reboot. So as everybody knows, and if you've had a
22 pulse and you've been to one of these meetings here, we

1 brief the Boots to Business, constantly.

2 (Laughter.)

3 MS. SAMARDICK: You've made sure we're aware
4 of it, Rhett.

5 MR. JEPPSON: It's our program as part of TAP.
6 So as you know, Boots to Business for the transitioning
7 veteran, so it's those men and women who are leaving
8 the service, transitioning and coming out. Now that's
9 what we were funded to and directed to provide Boots to
10 Business. There are 21 million American veterans out
11 there, almost 22, depending on the numbers you see.
12 And they don't have access to the transitioning
13 component, unless they've lived near base and still
14 have an ID card to get back on base. So it's a little
15 more difficult for them. So what we're going to do is
16 we're going to run some events around the country here,
17 actually, 12 of them to teach Boots to Business.

18 Okay? So I'm just hearing a little noise back
19 there. But the Boots to Business taught to veterans
20 who've already transitioned out there to get a sense of
21 how we would take entry-level entrepreneurship training
22 to our veterans community there for those who were

1 interested in small business ownership. You know.
2 Those who may already be in a start-up phase or those
3 who were thinking about it.

4 MS. SAMARDICK: Okay. So beyond the
5 transition.

6 MR. JEPPSON: So beyond the transitioning
7 people. So what we will do is do 12 cities around the
8 country, working with the district offices and the
9 resource partners to provide that. And then at the end
10 of the 12 cities, which will be the end of August, we
11 will then come back. We'll compile a report about how
12 we'll be able to implement this, what resourcing we
13 think we'd need to do that, what the traction level
14 was, because we're going to make some projections.
15 We'll use that in this case. And then I will tell you
16 that that coupled with the awareness piece I think it
17 will be also mutually supporting to our Access to
18 Capital.

19 So I've had to testify twice since we were
20 here last, and I got asked both times: "What are the
21 single biggest challenges veterans face, and what are
22 the things that SBA does that are most important".

1 I'll tell you that in my opinion, for what it's worth,
2 the single most important thing that SBA does is
3 provide access to capital. That is by far and away
4 what we do. And that's not just veterans small
5 business. That's all business.

6 We provide access to capital, but you can't
7 decouple that from entrepreneurial education. We know
8 that businesses that have good entrepreneurial
9 education have that help, make more efficient use, have
10 better rates of gaining that access to capital.
11 They're better prepared when they go to the banks, et
12 cetera, et cetera. So you can't decouple it. So those
13 are the two things that we really do, and then we can
14 talk about government contracting.

15 I have no doubt that we will bring that up
16 more than a few times here today, which is also an
17 important leg of what we do at SBA. But those two in
18 my mind are the two most important things that we do.
19 But with focusing on this reboot piece, we'll gauge how
20 we might better serve our veterans' community there and
21 leverage the other local resources that are available
22 in the community to support our veterans. And maybe

1 we'll see whether it can be a coalescing event for
2 communities too, as well.

3 We will start to get a sense of that and
4 lessons learned. And so the plan, the timing right
5 now, is that with Reboots to Business, we'll make a
6 formal announcement and Maria's vision speech on
7 Tuesday. And then we will actually have a blog in the
8 White House web. So starting on Tuesday, we will be
9 very active, proactive. It's not that it's a secret.
10 Now, we've been pretty proactive with the community and
11 with the White House on this, and it was briefed last
12 time, just giving you where we're at.

13 So the plan is just to have the first event in
14 Washington, D.C., at the White House on 10-11 July. I
15 say at the White House. It will be over at EOB. And
16 then we will host across the nation through an
17 additional 11 cities, these Boots to Business Programs,
18 and we'll culminate with the American Legion National
19 Conference at the end of August. And then we'll start
20 doing some after action, report review writing, and
21 we'll come back to this body and report what the
22 outcomes were. So the goal is to do these 12 cities

1 about a hundred per city, so about 1200 veterans.

2 We'll make sure that we have good survey
3 information and feedback on that, so we can determine
4 the best way forward on that. So we're very excited
5 about that initiative here. A little bit later on,
6 we'll talk about Boots to Business and access to
7 capital. So I'll defer on those two.

8 So thank you to those of you who made it here
9 today. So I appreciate that and look forward to an
10 abbreviated meeting, it looks like, maybe.

11 So, with that, Barb, do you have comments
12 before we move on?

13 MS. CARSON: We'll share the information and
14 the city names next week after the announcement is
15 made. And I hope that we might have some opportunities
16 to optimize and reach some communities where we could
17 work together to reach vet entrepreneurs and help all
18 vets. That's all I had, Rhett.

19 MR. JEPPSON: Okay. So with that, just from
20 our board members, anything you can bring up real quick
21 before we turn it over to Luis?

22 (No response.)

1 MR. JEPPSON: Okay. So last time we were
2 here, Luis MacDonald -- what's that?

3 PARTICIPANT: The intros, anybody on the
4 phone?

5 MR. JEPPSON: Oh. I'm sorry. Is anybody else
6 on the phone except for Jim Wilfong?

7 MR. BODDIE: David Boddie at Federal Allies.

8 MS. SAMARDICK: David Boddie?

9 MR. BODDIE: With Federal Allies, B-o-d-d-i-e.

10 MS. SAMARDICK: Thank you.

11 MR. JEPPSON: All right. So during our last
12 meeting, Luis MacDonald was here. And he had some
13 interesting -- not some interesting -- he had some
14 issues that his business was going through, and I just
15 really wanted to, since we have GSA and OFPP here, and,
16 you know, I will tell you that I understand some of it,
17 but not all of the challenges that he faces. And so I
18 would ask Luis to come back and just present on some of
19 the challenges that he's been facing as a veteran
20 trying to do business within the Federal Government,
21 you know, just with the sense that some of us may not
22 get all of the challenges.

1 I know I certainly don't get all of them. I
2 think I have some, but not all, and I really want to
3 understand the environment and things from his
4 perspective as well here. So we've allowed a little
5 bit of time here for Luis. So thank you for being here
6 and having a presentation, and the floor's yours.

7 II. Veteran Business Development Within GSA Schedule

8 751 Program AutoFlex Inc. - SDVOSB

9 MR. MACDONALD: Thank you, thank you, and good
10 morning everybody. I appreciate the invite, Rhett.
11 It's D-Day, anniversary of D-day that we're celebrating
12 today. It also happens to be the 70th anniversary of
13 the GI Bill. So a lot of veterans go out, you know.
14 They serve their country and then they go out and they
15 get an education through the GI Bill. Right? And the
16 next step usually is if you're going to get into the
17 Government contracting arena, is you go to SBA and get
18 certified in small business. Right?

19 Those that are veterans then go to the VA and
20 get verified that they're a veteran company or SBD.
21 And then the next step is you need a license to go into
22 the agencies and GSA has the GSA schedule program. And

1 that is the key program for any small business that
2 wants to do business with the Federal Government. And
3 it's important to market and be basically certified by
4 the GSA that you're capable of performing and doing
5 business.

6 The timeline I just shared about the serving
7 in GI Bill, that's basically my timeline, my story as
8 well, just as it is for many, many other veterans. And
9 so I really appreciate the opportunity to give this
10 presentation today, because I just want to share one
11 example of from the last meeting of some of the
12 barriers that vets need to overcome in order to do
13 business within the Federal Government.

14 And so I'm just going to share my particular
15 experience within the GSA schedule, 751 program. And
16 what I'm really going to do with this presentation is
17 ask members of this taskforce what is the value add of
18 veteran participation in the Federal Government. And
19 what we really try to do is if we can determine what is
20 the value of veteran participation, then how do we
21 factor that into the far clause pricing evaluations
22 that are very key to doing business within the Federal

1 Government.

2 I have a question already.

3 MR. DELLINGER: Well I was going to comment,
4 Lu, when you asked what's the value. I think is this
5 group and the charter is we can also ask the question
6 how can we increase that value. I think that's really
7 the central issue of what the interagency taskforce is
8 really looking at, is increasing the value of each of
9 the individuals and of the community.

10 MR. MACDONALD: Thank you, Dan. I appreciate
11 that. But, by the way, this is an issue that we've
12 gained the support from Tony and his Small Business
13 Office at GSA, as well as the VET-Force. So we really
14 appreciate this opportunity today to just kind of
15 educate you or give you, you know, this particular 751
16 program experience.

17 (Slide presentation.)

18 MR. MACDONALD: Let me give you an overview of
19 the federal fleet. GSA Schedule 751, by the way, is
20 commercial leasing of motor vehicles to federal
21 agencies. You all are maybe used to contractors
22 leasing people and labor to agencies, well there's also

1 the leasing of vehicles and property.

2 The Federal Government fleet spends \$3 billion
3 annually to acquire, operate and maintain federal
4 agency fleet, and there are approximately 500,000 non-
5 tactical vehicles in the federal fleet, among all the
6 different agencies. All right? So \$3 billion a year,
7 and on an annual basis 50,000 vehicles are ordered and
8 replaced by federal agency fleets, each model year.
9 All right? They are the end users. They are the
10 customers. Right? And so what this does is create an
11 opportunity for veteran businesses to get contracts and
12 for veterans to get jobs.

13 That's really why we're here. To me, a
14 contract is a job and we're trying to create jobs,
15 especially these days. It's even more important. Just
16 to give you a little background on the way the
17 program's been working in the federal fleet, GSA has a
18 fleet leasing program, and it is an operation that
19 leverages the volume of agency orders each year. They
20 get all the orders and they work with each of the
21 agencies, and then they turn around and negotiate with
22 all the manufacturers that have vehicles and products

1 that the government needs in order for the government
2 to perform its mission. Right? And there's all sorts
3 of requirements. The standard vehicles, non-standard
4 vehicles, it's just a lot of interesting business that
5 goes on there.

6 GSA Fleet has in place a revolving fund that
7 was authorized under the *Federal Property Act of 1949*,
8 and what that does is it allows GSA to utilize a
9 special account into which an agency customer's money
10 is deposited for expenditures, without regard to fiscal
11 year limitations. So as a result, GSA Fleet leasing
12 terms are based on five years plus. If an agency
13 orders from GSA, they're going to get to be caught in
14 their fleet, and they're going to be paying a lease on
15 it for five years or longer.

16 There are some federal fleet vehicles that
17 have been in service for much longer than their life
18 cycle. Right? This is an important note here, because
19 the GSA Schedule 751 for small businesses and for the
20 private sector, it is based on not a five-year term.
21 Right? It's based on a one-year term. And that one-
22 year base period then is there's options -- right -- to

1 extend. So there's an apples and oranges that occurs,
2 you know. If you buy a certain vehicle and you can
3 amortize it over five years, your payment's going to be
4 here.

5 If you buy that same vehicle and you can only
6 amortize it over 12 months -- because you don't know if
7 the government's going to go any longer -- your price
8 is going to be up here. Right? So it's an apples and
9 oranges type of cost comparison that's been going on.

10 As a result, the federal fleet market share,
11 the federal fleet has historically been controlled, or
12 GSA fleet, really, has controlled more than 99 percent
13 of all agency vehicle leasing orders and budgets. You
14 know. That's pretty considerable on a \$3 billion
15 federal spending arena. What's interesting is that GSA
16 fleet is not a mandatory source of supply for leasing a
17 vehicle. That's under the federal management
18 regulation I have there.

19 The GSA Schedule 751 that we're talking about
20 here is a multiple award schedule for commercial
21 leasing of OEM supply warranted vehicles. Schedule 751
22 has historically been the most underutilized of all GSA

1 schedules. You look at all the schedules for whatever
2 products and services there are that the Federal
3 government procures. 751 is at the bottom of the list
4 and it has been for many years.

5 MR. JEPPSON: Why is that, Luis?

6 MR. MACDONALD: Well the reason is that these
7 are the apples and oranges. You know? And this is
8 when we're going to get to the purpose of this meeting
9 is the pricing evaluations. What the contracting
10 officers are doing is they're comparing the GSA five-
11 year pricing to a commercial one-year price. So it's
12 always basically going to be steered towards the GSA
13 government program as opposed to commercial leasing
14 opportunities.

15 MS. SAMARDICK: And isn't it also, Luis, that
16 the money doesn't have a date anymore, so you can use
17 expiring money and kind of park it there for your GSA
18 fleet.

19 MR. MACDONALD: Right. There is parking
20 and --

21 MS. SAMARDICK: And of your money for parking,
22 parking money for the fleet.

1 MR. MACDONALD: That goes into some other
2 issues.

3 MR. JEPPSON: Parking's important.

4 MS. SAMARDICK: There you go.

5 MR. MACDONALD: It opens up a whole box of
6 issues.

7 MS. SAMARDICK: Parking cash is always good.

8 MR. MACDONALD: But, you know, the point I
9 wanted to make is that it's been four million annually
10 being spent among 751 Schedule contractors. Okay?
11 This is all GSA sales portal information. Small
12 Business Administration has an NAICS Code System,
13 right, to tell whether you're small business or not.
14 The NAICS Code for commercial leasing is 35.5 million
15 annual. Okay? There's only \$4 million being spent
16 annually right now, and it's being spent among eight
17 companies. Okay.

18 There's a multiple award schedule contract and
19 due to the underutilization, there's an ongoing
20 turnover of vendors, you know. They come in and they
21 go to all these conferences saying, hey. Come to the
22 government. We're the biggest customer in the world.

1 We're going to do business with you. Oh, yeah,
2 veteran, get certified. Go through the process here,
3 you know. We're a big customer, you know. There's
4 some opportunities here. Well, \$4 million is the
5 economic pot for these eight companies. Of the eight,
6 three are large, three are small. One is a veteran-
7 owned small business, and one is a service disabled
8 business. That's 25 percent of all the vendors that
9 have been approved by GSA are veteran-owned companies,
10 25 percent, an NAICS code of 35.5 million. Okay.

11 So, next slide. What is the value that the
12 commercial 751's offer? Prompt customer service? We
13 can deliver vehicles in a week from date of order, to
14 factory orders up to three to four months. You know,
15 depending on the vehicle. The GSA fleet kind of moves
16 vehicles around. There's been agencies that don't get
17 their vehicles 'til a year after they order them.

18 So there is a lot to be said in terms of value
19 added for commercial leasing. We can do custom and
20 special order equipment outfitting, express location of
21 vehicles for someone that needs something and a prompt
22 delivery. We've got experiences with all the

1 manufacturers, you know, a lot of experience with the
2 commercial side.

3 But the key area that really is the one that
4 I've been advocating the most and trying to gain some
5 support on is cost effective solutions for new
6 technology. In particular, the Federal Government
7 fleet has been asked to move towards alternative fuel
8 vehicles for energy security, which is really important
9 to the U.S. at this time. And there is a lot of
10 innovation and technology being developed by small
11 businesses. And the opportunity to come into the
12 Federal Government would be innovation and new
13 technology is being caught up in these FAR clauses that
14 do the price determinations that are in evaluations
15 that don't really allow you to come in.

16 So, but value added service, in particular for
17 new technology, you know, commercial companies can use
18 tax credits and incentives to be very cost effective,
19 actually give a better price than GSA Fleet Program.
20 We also -- incremental cost up front for this new
21 technology, a lot of times, is the reason agencies
22 don't go with the new technology, because they can't

1 handle the up-front incremental cost that's being
2 required. But that's not an issue with commercial
3 leasing. We don't need to have an up-front payment.
4 We can put it right into the lease and you pay over
5 time. The other value added is the opportunity for
6 agencies and members of this task force to meet socio
7 economicals, and, you know, that's one of the key
8 reasons we're here today.

9 Next slide please. Fair and reasonable FAR
10 Clause 552.212-73 is the FAR Clause that's being used
11 by the GSA contracting office to evaluate fair and
12 reasonable police pricing for all Schedule 751
13 contracts every year. Every time the manufacturers
14 come out with pricing, we've got to work up all the
15 pricing submitted to GSA for approval. Okay. Before
16 we can even go to agencies, right, and then we have our
17 catalog pricing that we can go and market. The
18 determination, right, is based on lowest bid.

19 Small business 751 companies, the pricing is
20 being unfairly compared to large business pricing
21 without any consideration to economies of scale. That
22 is the issue I wanted to bring before this task force

1 to let you know the FAR Clause and the contracting
2 officers out there are basically determining whether
3 you do business with the Federal Government or not
4 based on the lowest price and the lowest price compared
5 to large businesses.

6 Next slide, please. So we go to the question
7 I wanted to ask. You know. What is the value of
8 SDVOSB participation in the federal fleet? GSA has
9 rejected SDV line items, because they were \$20 per
10 month higher in price than other large business 751
11 vendors. You know. And I'm talking about a line item
12 that's like a minivan, the VA and a lot of agencies
13 order a lot of. We can't even add it to our catalog,
14 because the GSA contracting officer says we're \$20
15 higher than a large business. Okay.

16 The economies of scale: If we reach a point
17 of 35.5 million size, or our portfolio gets larger, we
18 can make that difference up pretty quick. If we can go
19 longer term than just one year, we can make that
20 difference up also. All right? All we're asking for
21 is the opportunity, right, to be able to be
22 competitive. But the question is what is the value.

1 Is \$20, \$240 a year, SDV participation worth at least
2 240 a year at your federal agency? I guess that's the
3 question veteran companies and small businesses are
4 asking the task force. That's why I'm here. Next
5 slide?

6 Our concern is limited opportunity to develop
7 under the schedule currently. I do want to add,
8 though, that the VET-Force, we've been meeting with
9 Tony. We've had some ongoing meetings. Actually,
10 there's some more meetings coming up next week, and
11 we're actually addressing this specific issue. All
12 right? But it's important that you, the end users, the
13 actual customers that have the fleet, right. By the
14 way, the DOD is the largest fleet among all the federal
15 agencies -- are aware of what's going on with this.

16 And, you know, the next point that I want to
17 make is the limited opportunity to meaningfully
18 participate in the new technologies. You know. We
19 really feel there's some opportunities there,
20 particularly for returning veterans to get involved in
21 these new technologies, these new industries that are
22 going to create a lot of jobs. They're going to create

1 a lot of business and it's very important for the
2 Federal Government, which is really getting all the
3 funding to develop, right, and have market development
4 in the new technology for small businesses to
5 participate there as well.

6 So that is really one of the key concerns in
7 our community. The other limited opportunity for
8 federal agency fleets to achieve socioeconomic goals,
9 you know, for veteran-owned goals, SDV goals, is it
10 possible to get a three percent goal within your
11 federal fleet orders on an annual basis? I mean that's
12 such a reasonable request compared to the size of a \$3
13 billion area of federal spending.

14 Next slide please. So here's the
15 recommendations that I just kind of put out for this.
16 Conduct a survey of federal agency senior leadership to
17 evaluate what the socioeconomic value of SDVOE
18 participation is. Is it \$20? Is it \$100 plus a month
19 worth meeting the goal? It's really the agencies that
20 have to answer that question. I mean, you know, we're
21 talking about barriers to overcome for vets and small
22 businesses. That's what I wanted to share with you

1 today.

2 Also what's important is continued education
3 on commercial leasing rules and regulations are --
4 among federal agencies. What is in the best interest
5 of the government? You know, that's the question to
6 ask. And then tied to that is promote multiyear lease
7 terms to federal agency fleet customers, subject to the
8 availability of annual funding, you know, which they
9 receive from the U.S. Congress. That right there will
10 help level the playing field, and really that's all
11 we're trying to do. We want to level the playing
12 field, get an opportunity, and then you'll start seeing
13 more veteran businesses with contracts. They can then
14 grow, and then they start hiring some veterans.

15 We can create jobs, and that's really the goal
16 of the task force here, and that is the end of my
17 presentation. I want to thank all of you very much for
18 allowing me to share this.

19 MR. JEPPSON: Luis, I just wanted to --

20 MR. MACDONALD: I have the copies, by the way.

21 MR. JEPPSON: Yeah. So I was just thinking.

22 I'm sorry. Looking at these here, I mean obviously

1 there's some things that we could do is build
2 awareness. And we continue to use the score card to
3 get the agencies to focus on their small business spent
4 and each of the set aside categories.

5 But has anyone considered a legislative or a
6 rule proposal that may allow or change this, or make it
7 -- I mean here's where I'm coming from is the
8 contracting officer, we've always got to consider kind
9 of their perspective, because, obviously, they're the
10 ones who are going to make that decision. And they are
11 risk adverse (sic). I don't think that that's -- comes
12 as any surprise, because as long as it's going smooth
13 and nobody's complaining, they're fine.

14 But as soon as they start taking any heat,
15 they're going to say why did you choose them, because
16 they're always open to protest. And even when the
17 smalls, like in the mentor protégé things, the bigs
18 will back the protest or the bigs have the resources.
19 He's got to have an easy way to be able to say this is
20 why I went there. This rule allows me to do it in
21 black and white. So, you know, I certainly could see
22 where morally, ethically, I would say I went with the

1 SDVOAB. It was \$240 a month more, but they have a good
2 track record, yada-yada.

3 MS. SAMARDICK: A year.

4 MR. JEPPSON: What's that?

5 MS. SAMARDICK: A year, not a month.

6 MR. JEPPSON: A year, a year; I'm sorry, a
7 year. So I mean, you know, I'm not finding fault with
8 your logic, Luis. And, you know, obviously I would
9 certainly go advocate, and I think many NGCB and P-Tacs
10 would. But that contracting officer really kind of
11 needs something to hang their hat on a little bit. Is
12 there a rule that you or VET-Force or others have
13 proposed that would allow us to maybe affect that or
14 make it easier. I'm just trying to make the
15 contracting jobs easier, contracting officer's job
16 easier and easier for him to defend and also easier for
17 you to say, look. Here's a way for you to do it right
18 here. It's right there.

19 It's like, you know, with VetsFirst and the
20 Sole Source to go to the service disabled under five
21 million. You know. I wish we had that on the rest of
22 Federal Government. You know, Federal Government, if I

1 could do that, we could really make life easier for the
2 contracting officer in that case, but we don't. So is
3 there something we could do?

4 MR. MACDONALD: Well, you know, the FAR Clause
5 I bring up in this presentation focuses on fair and
6 reasonable pricing. Is it fair and reasonable to
7 compare pricing between small business and a large
8 business?

9 MR. JEPPSON: Well, let me -- that's pretty
10 broad language. And if I'm the contracting officer,
11 I'm going to want something that's almost in black and
12 white.

13 MR. BLUM: Maybe I don't have the right
14 solution, but now, for example, with the *Jobs Act*
15 authority that makes it clear that you can do set-
16 asides on the orders on the schedules, even though it's
17 not mandatory, I mean it sounds to your point that if
18 you used the set-aside in some fashion here, you know,
19 then you would be comparing between different small
20 businesses.

21 They may not be a small disadvantaged,
22 veteran-owned small businesses, but the economy of

1 scales issue at least would be within the scope of you
2 being evaluated against other small businesses. And
3 that would be the baseline efficiency. I mean is that
4 something that you think would be attainable?

5 MR. MACDONALD: Yes, absolutely. I mean, you
6 know, any of your assistance and support in this at --
7 to level the playing field would be much appreciated by
8 all the small veteran business. Not just by veteran
9 business, but minority and other small businesses as
10 well.

11 MR. JEPPSON: Is there some way that maybe we
12 could even modify that? And I don't know whether it
13 would be in like a letter, a memo, a directive, a
14 proposed rule change that would kind of give the SDOSB
15 and the contracting officer something. And they go,
16 oh, hey. This is how OFPP or GCBD, or how they both
17 see it. And I think that your mechanism is great; but,
18 sometimes, the contracting officers, they're looking
19 for that thing that they can hang their hat on.

20 MS. SAMARDICK: Right.

21 MR. MACDONALD: The FAR authority is already
22 there for multi-year leasing and things of that nature.

1 They're just not using it.

2 MR. JEPPSON: No, but for the consideration of
3 the fact that you do have a set aside category that
4 gives them that authority that says, oh, yeah. I
5 didn't just use price only. Because GSA, generally,
6 it's a price base thing. Everybody's qualified. I
7 fill out the statement of work, and I take -- it's a
8 pricing based thing, because you're assumed to be all
9 qualified bidders capable of providing the thing.

10 So, as a general rule, all omnibus contracts,
11 you know, federal, state, whatever, are usually price
12 point, because you've already prequalified the bidder.
13 So if there's something that allows them to take one
14 other special consideration within a certain range, I
15 don't know. I'm just looking for something that gives
16 you and that contracting officer flex.

17 CAPT. BALZANO: And I can point out how we're
18 handling it. We have this very same issue a lot of
19 times. I'll give you an example of something we just
20 did, but the department how we're handling it is the
21 goals that are being set for us, we are then pushing
22 those goals down to our different commands and our

1 agencies. We then force them to, for instance, use the
2 SOCOM example, because it lines right up with it.
3 SOCOM -- and I'll put this out for everyone so they
4 know -- is issuing a \$1 billion services contract, a
5 thing called SWMS is coming up.

6 MR. JEPPSON: Yes.

7 CAPT. BALZANO: It's all services-based
8 activities and that's a huge number. For us it's not a
9 huge number, but for probably most other folks it's a
10 huge number. But if we don't force that into some of
11 that into small businesses, it's really going to affect
12 our goal. So Mr. Gudger had to get involved. We flew
13 down to SOCOM. We got briefed by all of their folks,
14 and then we struck a deal where some of the stuff can't
15 be done by some of these small businesses. Some of it
16 has to be done by certain companies; but, we struck a
17 deal where 40 percent of that is going to be set aside
18 and focused towards SDVO and small businesses.

19 So, and the argument Mr. Gudger went with is
20 "I have to report to the SEC on this, and if you don't
21 do this, we are going to fall short of our goal." So
22 it really boiled down to reaching our goals --

1 MR. MACDONALD: Yeah.

2 CAPT. BALZANO: -- which, he's not in huge
3 favor of goals. He wants to do the right thing, but
4 this was a forcing mechanism that we used to get some
5 participation. Because if we went with lowest bidder
6 -- or some of these folks are doing work all over the
7 world and they've already got people there. So they've
8 got infrastructure, so they can outbid the smaller
9 businesses where this was the forcing mechanism. So
10 that may be an option, a non-legal option, but it has
11 to come from the agency down.

12 MR. MACDONALD: You know. One of the issues
13 in 751 though is --

14 CAPT. BALZANO: And I don't know this. Yeah.

15 MR. MACDONALD: -- that rule of two, you know.
16 You know, for the set aside that you were mentioning,
17 you've got to have the rule of two. And maybe there
18 could be a waiver for schedules that are very
19 underutilized. I don't know. That would be
20 appreciated.

21 CAPT. BALZANO: Right, but it's a commitment
22 from us, from my boss's office to make sure that the

1 department is executing on it.

2 MR. MACDONALD: Well, so, by the way, I would
3 like to mention this, though, in regards to DOD. Their
4 contracting officers go to the schedule. They see if
5 they can meet the requirements of what's offered
6 through GSA; and when they don't offer it and the
7 agency needs something in particular, they'll go open
8 market. Okay? And since the beginning of this year,
9 that's the only way we've gotten business with DOD
10 Fleet was open market, and we've been successful in
11 terms of lowest bid and best technical with the Army
12 and with the Navy.

13 MR. JEPPSON: So, Luis, why did they go open
14 bid with you when GSA exists? I don't understand that.

15 CAPT. BALZANO: I think that's an excellent
16 point, by the way, because one do we encourage people
17 to use existing vehicles. And we also at the same time
18 put pressure on the managers of vehicles, and I know
19 GSA does a lot of evaluation of the revenue that's
20 being generated. So if it's this low -- and I don't
21 know the details on this particular schedule -- I would
22 think that they would be looking, because they have an

1 interest too.

2 MR. JEPPSON: I mean the *Economy Act* is pretty
3 explicit in that to leverage existing vehicles.

4 CAPT. BALZANO: Yes, yes, it's true.

5 MR. JEPPSON: And don't run your own
6 competition, if you can.

7 CAPT. BALZANO: Right, right.

8 MR. JEPPSON: And so I find that almost
9 incredulous (sic) that DOD would be running their own
10 contract outside when there's a GSA schedule that does
11 that. So --

12 CAPT. BALZANO: But again it doesn't call into
13 question that maybe there aren't adjustments that can
14 be made to the GSA schedule so that then DOD would take
15 advantage of it and get those economies. And I
16 appreciate the point about the \$20 a month, but I
17 really don't want to forget all of the other points
18 that you made at the beginning of the value that small
19 business is at. Because we shouldn't have to get to
20 that, you know.

21 I mean, yeah, there are times when you say
22 that, but we don't want to think of this as a charity.

1 There are lots of great things and benefits that
2 agencies get in terms of customer service and support
3 from going with small businesses. And those things can
4 be brought into the justification as well. It's not
5 just a goal. It's all the other associated things.

6 MR. MACDONALD: Right. And GSA follows the
7 OMB circulars for the Fleet and how the Fleet should be
8 managed and spending. And so, yeah, I appreciate your
9 comments, absolutely.

10 MR. JEPPSON: Okay. Paul?

11 MR. INGNOSH: Luis, it seems to me that the
12 largest disparity claim I've heard in this presentation
13 is that while, as an agency, I park my money over here
14 to take advantage of all my Fleet requirements for the
15 next five years. It makes my life and my procurement
16 staff --

17 MS. SAMARDICK: And your budget
18 reconciliation?

19 MR. INGNOSH: And you're competing against
20 that out of this fund, because your rates must reflect
21 a 12-month not a 60-month. Why couldn't we just fund
22 you and your schedule out of that same fund and allow

1 you some relief on the 12 months issue to be
2 competitive on a 60-month issue. It just seems to me
3 that might be the single-most point to codify an
4 acceptable approach here with some relief and whatever
5 is governing that, you know, the FAR and FMR, I don't
6 know. But there's a reason that your schedule is not
7 funded the same way the other Fleet schedule is.

8 Tony, I guess you're kind of the guy we would
9 look to for that.

10 MR. EILAND: It would be best for someone at
11 Fleet to answer this question. I can have somebody
12 that could draft an answer for you if you wish, and we
13 could present it to the next meeting.

14 MR. JEPPSON: Yeah. So what I was hoping to
15 do is just, you know, this is kind of into the aegis
16 and I think that we're not as a committee above that we
17 ought to be. So what I'd like to do is let's ask Tony
18 to come back and talk to us about that. And then, you
19 know, Matthew, I think that through some of the
20 discovery process, anything you might would be useful.

21 So, Marc, did you have a --

22 MR. GOLDSCHMITT: Yeah. Marc Goldschmitt.

1 Luis, when you talk about \$20 to 100 a month
2 difference, what's the baseline for that? Is it \$20
3 more than \$100, \$500? And the basis for that is as a
4 percentage, can you then go back and let the
5 contracting officers give you a preference or some kind
6 of evaluation criteria that says like a 10 percent
7 price or five percent price?

8 MR. MACDONALD: Well, you know, it's been an
9 ongoing negotiation for many years with the GSA
10 contracting officers, and they pretty much stick to
11 that FAR clause, and they keep stating it's in the best
12 interest of the government to have the lowest bid.
13 Right? And they really don't distinguish between, you
14 know, if we're \$20 a month higher than a major company.
15 Right? Or the GSA program, you know.

16 MR. GOLDSCHMITT: The second part of that is
17 really what Paul just asked --

18 MR. MACDONALD: Yeah.

19 MR. GOLDSCHMITT: -- and in the same context
20 of doing the one-year versus the five-year --

21 MR. MACDONALD: Correct.

22 MR. GOLDSCHMITT: -- and different

1 alternatives there, would a five-year lease drop that
2 price down to where you're competitive?

3 MR. MACDONALD: Absolutely. We would be as
4 competitive, not lower. There's been examples in
5 alternative fuel arena where the government has
6 actually spent more money, right, from GSA than they
7 would have spent on a posted GSA Schedule 751 price for
8 that same vehicle that they ordered from GSA. Our
9 prices would have been actually lower. So, yeah, this
10 is much appreciated, what everyone's discussing here.
11 And in the next presentation I want to work with all of
12 you, in OMB and DOD. I mean this is an area that
13 really what we're trying to do is create opportunity
14 for Veteran businesses and get some jobs for some
15 veterans as well.

16 MR. GOLDSCHMITT: I wanted to tie one more
17 piece in there, because I know some of you have
18 mentioned the issue of access to capital. Is there a
19 method or something SBA could do from an access to
20 capital perspective that could help you get to a five-
21 year lease pricing, provide some kind of guarantee or
22 other mechanism that would let you get to that five-

1 year pricing.

2 MR. MACDONALD: Well, one of the things that
3 you've got to keep in mind is the agencies are the end
4 users. It's their buying power of the customers that
5 GSA uses to leverage with the manufacturers. Right?
6 So the manufacturers tend to provide GSA with the
7 lowest price for anyone you know, the most favored
8 customer pricing. Right? But, you know, if you're a
9 small business, right, you don't have the economies of
10 scale, you may not get the same pricing as maybe the
11 GSA. And, yet, it's all based on the end user order.
12 So if we had the order from the agency at DOD or
13 whoever, and we went to the manufacturer with that
14 order, right, we can then suddenly negotiate a price as
15 close to what GSA is getting. You know. But, by law,
16 they have to be the lowest price.

17 MR. INGNOSH: Well, there are different
18 strategies for those two schedules though, are there
19 not? Different strategies that GSA Fleet has in
20 relation to those two different schedules? I mean the
21 751 is for those small business opportunities; but, for
22 those unique, not general, "it fits the mold, and I can

1 leverage it against the manufacturer" thing. Where
2 you're, I think, really hitting on the money is the
3 technology aspects of this. But for the straight
4 vanilla I am leveraging my manufactured stuff, that
5 probably belongs in that big chunk; but, for the other
6 stuff, I think the real strategy for 751 to begin with
7 is to accommodate those, let's say, out of a straight
8 vanilla box of opportunities and give that to small
9 business.

10 MR. MACDONALD: Good point, you know. If we
11 just target it, we can actually work with GSA. It's in
12 their best interest to help with Schedule 751 improve.
13 I mean we pay an industrial funding fee, et cetera, and
14 work hand in hand with them to put out vehicles that
15 are approved by them in terms of standards, et cetera.
16 And when there's new technology, we work with them to
17 get the approvals. We don't want to put something out
18 with the customers that's not going to be properly
19 warranted and perform. Right?

20 MR. INGNOSH: Well let's not forget Rhett's
21 opening comment on this dialog was, we must first
22 consider the procurement process and the procurement

1 people here, because we want to make sure we're helping
2 them met their goals.

3 MR. MACDONALD: Right.

4 MR. JEPPSON: Okay. So, Luis, I want to thank
5 you very much for being here today. And what we'll do
6 is we'll put this on the agenda for next time and we'll
7 look for the agencies to discuss, you know, how we
8 might be able to --

9 MR. MACDONALD: I'll try to provide a copy of
10 it.

11 MR. JEPPSON: -- at some point. There's a lot
12 of, a lot of moving parts on that. So next on the
13 agenda was the Boots To Business update. And so, well,
14 fortunately and unfortunately, Craig Heilman just
15 returned from overseas last night, and so I'm not sure
16 he knew he was on the agenda.

17 MS. SAMARDICK: How nice for Craig.

18 MR. HEILMAN: It's just a casual update,
19 rather than a formal update.

20 MR. JEPPSON: So, yeah, so a casual update.
21 So what I'd like to do, so we don't have to put him on
22 the spot, I'll run through some of the highlights and

1 just ask him to -- you got it covered then?

2 MR. HEILMAN: Absolutely, as long as no one
3 minds the casual attire, I'd be delighted to give you a
4 Boots To Business update.

5 III. Boots To Business Update

6 MR. HEILMAN: This is Craig Heilman, for the
7 record, and I will say we talk about it every time and
8 it's a privilege to be able to do that, but we're
9 trying to create as many Boots to Business ambassadors
10 as we can. And we certainly consider you all some of
11 our ambassadors for the program. We know that the word
12 of mouth in the veterans community is really our
13 strongest marketing tool, so that folks are aware of
14 the value that this is we need to provide transitioning
15 service members and certainly we're trying to leverage
16 it as an incubator for doing more things beyond just
17 the transitioning service member, which was mentioned
18 with regard to Reboot to Business. So we're not
19 rebooting Boots to Business within Boots to Business,
20 just trying to expand it beyond.

21 And so I've talked a little bit about what our
22 goals are for the year coming in 2014, and I'm just

1 going to go back to those and give you a quick snapshot
2 of where we're at on all of that. And then if there's
3 questions or ideas, would love to hear them. But the
4 theme has been, from start-up to scale-up, so it's been
5 all about getting scale with the program and building
6 something we can sustain, and again, leverage beyond
7 just the transitioning service members. And there are
8 three things that we needed to do.

9 We needed to be able to continue what we were
10 doing in the U.S. There were over 140 installations,
11 at least quarterly, in some cases monthly, for our
12 face-to-face two-day program. We needed to be able to
13 really increase capacity for the eight-week follow-on,
14 because we see over and over again, and we just saw
15 again in Europe -- which I'll get to in a second, but
16 we get this wide range of student, some that come in
17 there and are either already operating a business or
18 really close to starting one, all the way to someone
19 who's just kind of considering it and what does it
20 mean.

21 And that eight-week extension online course
22 really allows those that are ready to go to get to that

1 next step, because then we get to that capital, you
2 know, it's important. That was the second piece for
3 the year. And the third big piece to get to FOC was to
4 deliver overseas. So going backwards on those three,
5 so we've launched overseas this week in Bavaria,
6 Germany, at Rose Barracks, and had 30 students there.
7 And we were able to take professors over.

8 We had a professor of entrepreneurial practice
9 from Cornell, two from Syracuse, as well as some others
10 that were there that were going to be instructing at
11 different locations overseas. So, well received.
12 We're really excited to be able to do that. We'll go
13 to 19 locations in Europe and Asia in June and July for
14 our first, so it's really going global. So that was
15 great.

16 Regarding the eight-week online course,
17 looking at throughput and expanding capacities, just a
18 couple of numbers, you know. In the second quarter of
19 the fiscal year from January through March, we had 110
20 enrolled before we were able to get our funding in
21 place. From April through June we'll have 500, so
22 that's about 345 percent increase in that time period

1 to reflect getting the funding in. And we expect --
2 our goal was to be able to accommodate between 1,500
3 and 2,000 students per year. And so with those numbers
4 it looks like we're there and we'll see what the demand
5 ends up being, now that there's plenty of capacity,
6 which leads us back to our numbers for the two-day and
7 what we're doing overall for that core two-day class.
8 And we went over 10,000 total since inception, so from
9 January of 2013 when we started as a program, all the
10 way through getting funded this year. So from June
11 1st, we'll have done 10,651 transitioning service
12 members that have come through the two-day program,
13 which we are excited about, and we had over a thousand
14 that had come through the eight-week.

15 So things are really growing, and, again, that
16 was our goal. And we'll keep reporting back to you on
17 how we're doing on that. About halfway through the
18 year for the two-day, we were slightly behind overall,
19 although we've grown significantly about 25 percent on
20 the two-day, and our average class participation has
21 grown about 15 percent as well. We still know we can
22 do more. We still know there's a lot more to do in

1 terms of getting the word out and getting folks aware
2 that this is available for them and we're working on
3 that.

4 A couple of other things we needed to put in
5 place that are in place now, was the ability to
6 reimburse our resource partners that are teaching this
7 for us. So we have some grant opportunities to
8 facilitate that, which are closing in a week and we'll
9 be able to hopefully award beginning of July. And a
10 lot of work being done to just improve our processes
11 and improve the curriculum, we just finished a multi-
12 location focus group project where we were able to get
13 some feedback on the curriculum and see what was
14 working and what wasn't working. So we're getting
15 ready to action that.

16 We've got some hiring actions here at SBA and
17 filled out the program team so that we could sustain
18 this, as well as some other contract opportunities, to
19 help us on things like marketing and outreach for the
20 program and some of the other operational processes
21 that we need to support, so a lot going on. When we
22 started the year we were telling this task force about,

1 hey, we need to get some grants in place. We need to
2 get overseas. We need to grow our marketing and
3 outreach. And so halfway through the year we've hit a
4 lot of those milestones, and so we're excited about it
5 and we look forward to continue to be able to let you
6 know how we're doing, and appreciate all your support.

7 So, Rhett, I think that would conclude what I
8 would say, but I would be happy to take any questions
9 or comments or input on it, because, again, you are all
10 our Boots To Business ambassadors and we appreciate you
11 supporting it.

12 MR. JEPPSON: Okay. Thanks, Craig. Questions
13 for Craig from the Committee members?

14 CAPT. BALZANO: Can I just offer something?

15 MR. HEILMAN: Please.

16 CAPT. BALZANO: We just recently had a reserve
17 admiral, RADM Herb in our office. And if you will
18 contact, I will get you in touch with her. She's
19 looking for ways to get training and different things
20 out to the different reservists that are coming home
21 and being deactivated. So this seems like they would
22 roll in --

1 MR. JEPPSON: RADM who?

2 CAPT. BALZANO: H-e-r-b.

3 MR. JEPPSON: And who is she, specifically?

4 CAPT. BALZANO: She came in. She met with the
5 boss about two months ago. She is the NOSC Washington
6 Naval Operational Support Center Washington, which is
7 kind of like the Navy. It's the reserve component for
8 this area that controls a bunch of units. So I'll get
9 you her information and we'll get you in touch with her
10 and see if we can help.

11 And, secondly, if we can help you guys
12 advertise your events, let me know. We have a massive
13 outreach effort in our office, and we have website
14 portals and all of that stuff. So just let us know how
15 we can help you.

16 MR. HEILMAN: We will gladly utilize both of
17 those. We've done a lot in getting this morning with
18 the guard reserve, reaching them. And how we service
19 them has been an big initiative for us, because they're
20 a little bit different. Right?

21 CAPT. BALZANO: Right.

22 MR. HEILMAN: And we're trying to be flexible

1 and meet the requirement that's state by state, unit by
2 unit. And in some cases that means they do two days,
3 and in some cases it means it's a shorter version.
4 There's all kinds of different -- so we've been trying
5 to do that. And then from a advertising perspective,
6 we do find that the command engagement, the top, you
7 know, that really helps get folks the opportunity to be
8 able to participate. Great.

9 MR. JEPPSON: Okay. So anybody, non-committee
10 members, questions? Joe?

11 MR. WYNN: Good morning. Joe Wynn. VET
12 Group. You mentioned something about -- I think you
13 said around 10,000 or so had attended two-day sessions
14 since January 2013. Did I hear that correctly?

15 MR. HEILMAN: 10,651 from 1 January '13 to 1
16 June '14.

17 MR. WYNN: Right.

18 MR. HEILMAN: Two-day.

19 MR. WYNN: The two-day?

20 MR. HEILMAN: Yes.

21 MR. WYNN: But then only a thousand followed-
22 up on the eight-week session?

1 MR. HEILMAN: 1,065 enrolled in the eight-week
2 in that same period of time, because we didn't have
3 funding until February the 18th of 2014 was when we
4 were able to actually have that money in our account,
5 and then turn up the volume on the eight-week so that
6 we could facilitate all comers. We maintained a
7 waiting list, which was discouraged, because we were,
8 you know, kind of in terms of that. So that's why I
9 wanted to mention that stat around one. As soon as
10 that funding went on, our enrollment in the eight-week
11 increased 345 percent, you know, from quarter to
12 quarter over a quarter, and so we cleared our waiting
13 list immediately. So we think we're in a place now
14 where we can take any interested Boots To Business two-
15 day graduate into the eight-week online program.

16 What we don't know, quite yet, we've got some
17 educated guesses as to what will be the demand for how
18 many will take that next step. One thing, when we tell
19 the two-day -- our learning objectives for the two-day
20 -- we tell them we wanted three things that we're
21 trying to get out of it for the students. One was we
22 wanted them to understand what business ownership,

1 small business ownership entrepreneurship is as opposed
2 to service vocation. What does it mean to do that?
3 What is your lifestyle? How does it intercept your
4 family? What are all their considerations? That's
5 goal number one in that two-day.

6 The second goal is to give them a couple steps
7 on what to do next and how to think about evaluating a
8 business opportunity, but not the entire business plan
9 in the two days, but just one of the components of that
10 business plan. And we have the tool that we use to
11 help to do that.

12 And that's where the eight-week really comes
13 in. Because if they're ready and they want to get a
14 full business plan, and they want to go out and try to
15 raise money, whether it be from an SBA loan or some
16 other source, we really wanted to go into that eight-
17 week. And so trying to figure out is that going to be
18 ten percent of everybody that comes through the two-
19 day, which there are 10,000. A thousand is what we
20 see, even without funding, or is it going to be higher,
21 more like 25 percent?

22 That's what we're trying to understand, but

1 we've got the capacity to take -- you know -- to take
2 all comers at this point. And, the third thing we want
3 them to get out of it, which is probably even the most
4 important point, is where to go for help. So we wanted
5 to connect them back to SBA resources and other
6 resources, so that they, you know, hey. This isn't the
7 right time; I'm transitioning. I don't worry about
8 that, but six months from now or five years from now, I
9 know exactly where to find help. And -- and those are
10 the three big goals of the two-day.

11 Then that eight-week is, okay, I'm ready to
12 go. I want a full business plan. I want to get
13 feedback from professional practitioners, professors on
14 this and my peers. And I want to be able at the end of
15 that to go out, meet with an SBA resource partner and
16 find out where the right lender is, and go get some
17 capital and then start.

18 MR. JEPPSON: So let me just mention, too,
19 when we built the model for what we thought it would
20 take resourcing wise, we used a factor that 30 percent
21 would go to the eight-week online course. You know.

22 MR. INGNOSH: 30 percent?

1 MR. JEPPSON: 30 percent; it's a pretty big
2 time commitment. It's not an easy course; it's about
3 150 hours. So it's eight weeks. It's 10 to 15
4 hours --

5 MR. INGNOSH: Per week?

6 MR. JEPPSON: -- per week of time in there.
7 So, I mean, it's a college level program. I mean, you
8 know. I'm not going to tell you it's graduate level,
9 but you're putting serious thought into your business
10 plan and you're getting critiqued on it. So we'll see
11 what the graduation rate is. We expect an attrition
12 rate, just like you would anything else. But, you
13 know, when we were at FOC, I could see that we're
14 starting, you know, ten percent.

15 If we had ten percent of the population, you
16 know, say the DOD was able to get all 250,000 people to
17 go through there. About 25,000 would go through Boots
18 To Business in a year. This is what we were in every
19 installation meeting all demand worldwide, you know.
20 And then you're probably about 30 percent of that.
21 That's kind of our stretch goal to get into the eight-
22 week online course.

1 MR. INGNOSH: Yeah.

2 MR. JEPPSON: You know. We think that even in
3 the two-day, the people who don't go or decide not to
4 start a business, they say, hey, this is too much to
5 this. That's still a win for us.

6 MR. INGNOSH: Oh, yeah.

7 MR. JEPPSON: It kept them from wasting their
8 money at the time. So just because we don't see the
9 total transition of 100% to 100%, and 100% start, we
10 don't think that's necessarily a bad thing, so.

11 MR. INGNOSH: Yeah, there's an enormous
12 benefit to them for not going, in some cases.

13 MR. JEPPSON: Right.

14 MR. INGNOSH: You know?

15 MR. JEPPSON: Right.

16 MR. INGNOSH: Yeah.

17 MR. JEPPSON: It will also help with our
18 failure, with the mortality rate of the businesses, I
19 believe, so.

20 MR. WYNN: Will there still be any discussion?
21 I think you had mentioned once before about pilot
22 programs to include veterans who hadn't recently

1 separated to be able to access the ADV program?

2 MR. JEPPSON: That's a good segue right there.

3 So with that, any other questions on Boots To Business?

4 (No response.)

5 IV. Subcommittee Reports

6 MR. JEPPSON: Okay. So with that, we'll kind

7 of visit the different committee reports, which

8 generally tends to be around the table with the

9 different agencies here.

10 Craig made the point, and I'll get with you

11 Joe. I'll find this. It's the Reboot To Business

12 piece that we kind of covered earlier, but don't want

13 to just revolve around. But I just spent an entire

14 opening part of the statement, yeah. So before we're

15 going to try to get a sense of what that looks like and

16 how we would execute it with the White House. So I

17 just wanted to give a quick update on a couple of

18 things that have happened here lately that I

19 participated in.

20 So we were actually on the Hill, since we met

21 last time, twice. First was in defense of Boots To

22 Business, you know, why the program's important. It

1 was with the House Small Business Committee. There was
2 some question about unauthorized programs, and I just
3 want to touch this just briefly. So, with Boots To
4 Business, the reason we're executing this, is since
5 right around 2000, SBA has always been required to
6 provide information to the trainee as part of TAP,
7 since TAP was memorialized in statute.

8 More specifically, in the *2008 Small Business*
9 *Act*, my office was directed to provide support to DOD
10 in the TAP program, utilize the VBOCs and provide
11 material to Department of Labor, et cetera, to
12 participate in TAP. With the *VOW Act*, again, and the
13 interagency task force, we were woven in there. So
14 there is statutory reasoning for that. It may not
15 enumerate it as Boots To Business, because Boots to
16 Business is just simply the branding name that we give
17 for it.

18 So we would have to go up and defend that
19 there. And then, last week, or two days ago, we were
20 actually on the Hill for a Senate Small Business
21 hearing on Veterans Entrepreneurship, and they covered
22 a range of topics. But, specifically, there are two

1 bills that have been proposed by members of the Senate
2 Small Business Committee. The first is Sen. Sheehan's
3 bill (sic). It specifically relates to -- it directs
4 -- the bill, if passed, would direct us to engage in
5 programs to help more veteran women start and operate
6 small businesses. As she pointed out in her testimony,
7 women make up about 14 percent of the service right
8 now, but only 4 percent of all Veteran-owned, small
9 businesses are women-owned.

10 I will tell you that although Boots To
11 Business is completely gender neutral, it's just only
12 for transitioning veterans. 25 percent of our
13 participants going through there are females, which
14 does include some spouses of female veterans as well.
15 So we see female veterans over-indexing in the course.
16 The other part of her bill, which is in line with what
17 -- very similar to what our FY '15 budget proposal is.
18 As you know, when we talked about Access To Capital
19 last time, we have reduced a fee on the SB Express
20 loans up to \$350,000 to zero. So depending on the size
21 of the loan and your particular bank, it would save you
22 over 5,000 bucks at closing over your counterpart,

1 civilian counterpart.

2 So that's a real tangible dollar that you see
3 in your pocket. I will tell you one of the things that
4 was attractive about Patriot Express was the higher
5 guarantee, which was a benefit. Because it maybe left
6 the bank, if they were kind of on the edge, they may
7 have given you the loan. But you didn't see a dollar
8 benefit, and you actually paid more at closing. You
9 had a higher fee. So if you talk about dollars and
10 cents and some trade-off, there is actual dollars in
11 your pockets.

12 So in the '15 budget we have also -- and so
13 Sen. Shaheen's bill, she has asked for that to be put
14 into statute. And in the '15 budget, what we have
15 asked is for all our 7(a) loan products, which is the
16 majority of our commercial loans out there that don't
17 have anything to do with real estate, the fee above
18 \$350,000 will be cut in half as compared to everybody
19 else. So you could see, you know, some pretty big
20 savings there.

21 One of the gentlemen there was testifying that
22 he was trying to get a Cap line for a million dollars.

1 He was in the process of it. His portion of the fee
2 was \$30,000 for that million-dollar Cap line. So this
3 is just real savings for some of our companies that
4 have those, will require those higher dollar loans.
5 And I say it's higher dollar loans, you know, a million
6 bucks is not that much any more when it comes to
7 business operations. It's a lot to start-up, you know,
8 in some industries. In others, it's a drop in the
9 bucket. So, but there is real dollar savings in those.

10 V. Training, Counseling and Outreach for Access

11 To Capital

12 We were not resting on that, though. We think
13 there are other things that we can do when we came to
14 explore with our Office of Capital Access and the
15 others who kind of planned that arena with the building
16 to improve the loan product. Along that line, I
17 mentioned the Reboots earlier is one of the things in
18 the Shark Tank thing, the Shark Tank that came out of
19 the OS. What are the other things that came out of
20 this is there's a group called Vets In Tech.

21 They do a great job of doing Tech Boot Camps
22 for Veterans, but they're kind of creative and

1 innovative in the space.

2 And so one of the things that we've done is we
3 participated in the first one out in San Francisco just
4 recently is called VetCap. It was the first one. And
5 the goal behind that is to take venture capitalists and
6 other types of financing, hold events and build
7 awareness about the different types of financing for
8 the veterans, and then also to have a pitch competition
9 with that, where veterans can pitch their ideas to
10 venture capitalists, angel investors.

11 So let me just tell you about the first panel
12 that we were invited to sit on. The first one happened
13 last month up in San Francisco. On the 18th of June,
14 we'll have the second event up in New York. So we went
15 up to New World Capital one evening, and so we had
16 straight venture capitalists there with us. We had a
17 corporate venture capitalist, you know. It was
18 actually GE Capital, so a little bit different model
19 than straight venture capital.

20 We had from Angel List the founder of Angel
21 List, which is Angel investing online. We had the
22 folks from Kickstarter talking about crowd sourcing or

1 crowd funding, rather, of small business.

2 Silicon Bank, which is a traditional lender,
3 and then I represented to SBA as government-guaranteed
4 lending, and each of us gave a spiel about what do we
5 offer to the veteran. You know. How would the veteran
6 access, what type of businesses would benefit from us
7 and what kind of requirements are actually covered.
8 Then we actually had about 70 veterans there and we had
9 several of them pitch to the panel. And I just want to
10 spend just a minute and drill down on this here. It
11 was really informative and interesting for me to be
12 there, and to look at the quality of the business ideas
13 that the veteran community group was coming out. And
14 I'm just going to chair a few examples with you so you
15 get a sense where they're going.

16 Let me just contrast it to you if we had it in
17 D.C. I know that if we had it in D.C., we'd have a lot
18 of people come and talk to us, you know, because of our
19 proximity about the government contracting space. Of
20 all the pictures out there, there was not a single one
21 that had to do with government contracting.

22 MS. SAMARDICK: It's another world.

1 MR. JEPPSON: But let me give you a couple
2 ideas of where they're at. So let me tell you the
3 first guy. So one of my favorite guys, a really sharp
4 guy, he was looking for 300,000 in venture capital. He
5 could have crowd-sourced it, but for some reason he
6 wanted a venture. So he's the founder of Duffel Blog,
7 if you're familiar with that. And so if you follow,
8 it's kind of like "The Onion" for the military. The
9 guy's got a million followers, subscribed followers on
10 there, and I see it every morning and laugh heartily,
11 generally. He's also the editor for *Business Insider*,
12 West Coast editor. But, so, there was one guy, and he
13 again, just why he didn't use the crowd sourcing,
14 because he could have done that in a heartbeat.

15 The next was there was two MBAs out of
16 Stanford there, and so if you're familiar with the
17 construction industry, time and motion studies are very
18 expensive and, you know, they really can affect how
19 your business performs. And so they had come up with a
20 innovative way to put a sensor into the work gloves, do
21 big data analysis on time and motion studies. And so
22 they were in there looking at just start-up capital to

1 take it to the start-up phase. Next, we had another
2 company come in. He actually had strawberries. Bear
3 with me just a second. So strawberries are the second
4 highest producing yield dollar crop in California,
5 second only to the illegal trade.

6 (Laughter.)

7 MR. JEPPSON: So he had a way. They had a
8 mechanism by which they could track where harvested
9 product was to the square meter, so that when you
10 bought it you'd be able to say this is where my
11 strawberries came from. And it was interesting to see
12 his conversation with the venture capitalists, because
13 they look at the different aspects of it from food
14 safety to production to consumer awareness of lots of
15 angles, and it was neat. And so he was already out of
16 startup and he was looking for his first round of
17 investment, you know.

18 We had another veteran come in; and,
19 essentially, what her idea was was to take patents. It
20 would package them into books. In other words, they'd
21 work with the patent owners. They'd book the patents
22 into books. And so if you have, for example, buying

1 cell phone technology, you would be able to pay a
2 single fee. You would get access to all the patents so
3 you didn't have to negotiate with every single patent
4 owner. They were already into their second round,
5 looking at another 20 million in investment.

6 So, and then, lastly, we had there were
7 several others, but I'll just show there was one other
8 young Marine came there. And he had this great idea of
9 use of UAVs and the surveying of utilities. And so he
10 didn't have a business plan, yet, but just a great
11 idea. So we saw a range of veterans with -- in their
12 business, from an idea to getting ready to scale,
13 looking at their second round of ventured capital. So
14 it was amazing to me to see the breadth and skill of
15 work veterans are at in small business here, and
16 especially when you took that step to the West Coast
17 where their interests were at.

18 So I will tell you that sometimes we get a
19 little fixated in D.C. on some of the things that we
20 have here. Once we get outside the Beltway and we see
21 where the veterans commune, you really witness a lot of
22 focus as to how effective veterans are doing and how

1 well they are executing as small business owners. So
2 when I hear that number of a trillion dollars in
3 receipts annually, you get a real sense of where it
4 comes from.

5 Just a couple of other quick updates real
6 quick. So we just sent a transfer letter to Congress.
7 V-WISE to oversee, to move \$500,000 so we could fund V-
8 WISE and make sure that we have our women's veterans
9 program fully funded. And that's kind of it from the
10 SBA perspective. So, Barb, do you have anything?

11 MS. CARSON: No, I think you hit our
12 highlights.

13 MR. JEPPSON: Okay. So with that, what I'd
14 like to do is go around the table. If you guys would
15 excuse me for a minute, I'll let Barb take the reins
16 for a minute. I've got to run upstairs to the
17 administrator's office, and I'll be straight back. So
18 if you guys could rest, so Ruth over to you.

19 MS. SAMARDICK: All right. The Department of
20 Labor, we are opening our Vets 100, 100(a) filing
21 season. It is open from August through the end of
22 September. This is still under the existing regs as

1 many of you are aware. We are promulgating a new set
2 of rules. We would like to get them promulgated before
3 August so that they would be in place for the 2016
4 filing cycle.

5 I was curious, because as we were talking
6 about small disabled veteran-owned business and
7 veteran-owned businesses, and how they promote veteran
8 hiring, it's kind of a null hypothesis that we haven't
9 really been able to test. And, should we successfully
10 promulgate these regulations, we will for the first
11 time have a unique count of protected veterans in
12 federal contractor work forces and a unique count of
13 new hires who are protected veterans.

14 So we would for the first time be able to test
15 this null hypothesis by going to a list of veteran-
16 owned businesses and comparing them to the non-veteran-
17 owned contractor businesses and seeing if, indeed, the
18 proportion of veterans in the work force -- protected
19 veterans in the work force -- is higher among those
20 veteran-owned businesses. And I think that that would
21 be a really neat marketing point. So I'm really
22 excited about that. Unfortunately, it's not going to

1 be this year, so.

2 MR. INGNOSH: Yeah.

3 MS. SAMARDICK: But it's a great move in the
4 right direction. So we're very happy about it. We got
5 just a few comments on the generally positive from
6 federal contractors with the new reporting
7 requirements. It greatly reduces the burden of the
8 report.

9 MR. INGNOSH: Outstanding.

10 MS. SAMARDICK: That's all I've got.

11 MS. CARSON: Thank you. Any questions for our
12 group?

13 MR. LENEY: A question on the phone.

14 MS. SAMARDICK: Yes?

15 MS. CARSON: Go ahead. State your name.

16 MR. EILAND: State your name.

17 MR. LENEY: Yeah, this is Tom Leney from the
18 VA. That's a pretty exciting report. When do you
19 think it will be implemented?

20 MS. SAMARDICK: Well, first we need to
21 promulgate the final rule, and in the notice of
22 proposed rulemaking we proposed that the rule would be

1 effective one year from promulgating the final rule,
2 that gives companies to revise their reporting systems
3 in time for the filing season. And the filing season
4 is August through September. So we're kind of on a
5 tight timeline to promulgate this final rule, and I
6 can't swear that we'll make it before August, in which
7 case it would not be in place until 2017.

8 MR. LENEY: Well, you know, kudos on, I think
9 is really heading in the right direction. So from the
10 VA's perspective, we are very excited and supportive.

11 MS. SAMARDICK: Thank you.

12 MR. BLUM: I'd just ask, Ruth, you mentioned
13 there was positive feedback. Did that come back
14 through the context of the rulemaking process? I mean
15 do you have --

16 MS. SAMARDICK: Yes, the public comments
17 through the rulemaking process.

18 MR. BLUM: Is that posted on like
19 Regulations.gov?

20 MS. SAMARDICK: It was posted on Regs.gov.
21 I'm sure the docket's still up on Regs.gov, because we
22 haven't promulgated the final rule yet.

1 MR. WEIDMAN: I'd like to ask a question.

2 MS. CARSON: State your name, please.

3 MS. SAMARDICK: Could you state your name,
4 please?

5 MR. WEIDMAN: My name is Rick Weidman, Vietnam
6 Veterans of America. Why were the VSOs and other, but
7 particularly the VSOs and military service
8 organizations, not forwarded the link to the proposal,
9 proposed regs, when they were published? Every
10 administration going all the way back to Nixon has done
11 that. Is there a particular reason why you all aren't
12 doing it?

13 MS. SAMARDICK: No. I wasn't aware that it
14 had been done back to Nixon, but I did talk about the
15 NPRM in our last meeting here.

16 MR. WEIDMAN: Right, but that's not the same
17 as communicating directly with the VSOs, NSOs. And,
18 frankly, we could use a good deal more of that from our
19 friends at Labor. And I'm not sure that new rules are
20 going to be universally celebrated within the veterans'
21 community.

22 MS. SAMARDICK: Why would that be, Rick?

1 MR. WEIDMAN: But --

2 MS. SAMARDICK: Why would that be, Rick? Why
3 would that be? What would be the objection?

4 MR. WEIDMAN: This is the rules for FCJO?

5 MS. SAMARDICK: This is new federal contractor
6 report. This is federal contractor reporting
7 requirements through the *Jobs For Veterans Act*, which
8 we are revising the existing regs.

9 MR. WEIDMAN: That is what the intent is, but
10 if you meet those percentages that you all have laid
11 out, it would take every veteran in America in the work
12 force to meet those guidelines.

13 MS. SAMARDICK: I'm sorry, Rick. I think
14 you're talking about the OFCCP rules, not the vets'
15 rules. All the vets' rules do is require reporting by
16 federal contractors on the protected veterans in the
17 work force and the protected veterans among new hires.

18 MR. WEIDMAN: So, okay. And --

19 MS. SAMARDICK: OFCCP uses the --

20 MR. WEIDMAN: -- no one's sending us the
21 links.

22 MS. SAMARDICK: Um. The NPRM, the public

1 comment period is closed now.

2 MR. WEIDMAN: Are these the ones you published
3 last year?

4 MS. SAMARDICK: We published them in February.
5 This is the Vets' rules, not the OFCCP rules. The
6 OFCCP rules have been finalized already.

7 MR. WEIDMAN: We'll take this offline.

8 MS. SAMARDICK: Sure. Give me a call. You
9 know my number.

10 MR. WEIDMAN: Why don't you ask the Assistant
11 Secretary to give me a call?

12 MS. CARSON: Okay. Anything else for labor?

13 MS. SAMARDICK: No, that's it.

14 MS. CARSON: Okay. And Treasury's unable to
15 be here today, so they will be with us at the next
16 meeting. We'll move on to the Federal Procurement and
17 Contracting Programs. The DOD?

18 V A. Federal Procurement and Contracting Programs

19 CAPT. BALZANO: Well, first off, I'm Capt.
20 Richard Balzano, and I'm sitting in for Mr. Gudger.
21 And at 2:27 this morning he sent me an e-mail telling
22 me to sit in for this. So he really was planning to be

1 here.

2 MS. SAMARDICK: And you got it at 2:28, I
3 presume?

4 CAPT. BALZANO: I did not.

5 (Laughter.)

6 CAPT. BALZANO: I was enjoying my sleep. So
7 at 0730 I saw this. So I think I can talk about some
8 efforts we have ongoing right now and some things that
9 we have accomplished that relate to the different
10 things we've spoken about here this morning. But,
11 first, I'd like to point out that all of the
12 departments sitting around here are going through
13 budget struggles. Everybody's budget is declining.
14 And as a proof positive of the Defense Department's
15 position on small businesses, our office is growing.

16 We are increasing our people and our billets,
17 which billets are how we put people in slots, and our
18 funding has gone up, which is quite amazing in that
19 building, because everybody's struggling to find
20 dollars to feed the programs, which will also lead me
21 to announce that we have a VAA out right now for \$350
22 million contract over the next five years to support

1 our office with training and basic support for our
2 programs. So that's how much we're growing.

3 When Mr. Gudger took over this position, I was
4 not there, but the office had seven staff and I think
5 \$700,000 budget. We now have \$60 or 70 million budget,
6 and we are upwards towards a hundred staff. So it
7 really is an important issue to the Secretary and to
8 the Department. And what I mentioned about special
9 operations command and that contract is absolutely
10 true. It's small to us, but every little bit counts.
11 When Mr. Gudger got on a plane, I had to go with him,
12 got briefings, and we fought. He fought to make sure
13 that 40 percent of that contract went to small
14 businesses service disabled. So it's an effort that's
15 ongoing.

16 We continue to train our workforce. There's a
17 number of policy changes that we're working to get
18 small business integrated into the acquisition process
19 in our building. You know. We're used to buying these
20 big, giant weapons systems, and we have these
21 professional acquisition folks who analyze all the data
22 and we do all this work. I'm not familiar with it as

1 much as I probably should be, but it's not my
2 specialty. But Mr. Gudger has carved out a job
3 category for small business professionals now. So it
4 really is changing the game in the building as to how
5 small business is dealt with in the Defense Department.

6 We have been up on the Hill I can't tell you
7 how many times. We have fought to get more money into
8 the P-Tacs, into the NDAA this year. We have made
9 changes to the comprehensive subcontracting plan. And,
10 if you don't know what that is, that's a big deal.
11 Some of the very large vendors for the Defense
12 Department -- and I can't name their names, but think
13 of the biggest companies -- have these carved-out plans
14 for how they subcontract. And subcontracting with
15 those large companies is where small business really
16 plays in.

17 Well, they have been getting away, and I've
18 got to be careful. They have been allowed to have much
19 lower numbers than what the rest of the industry has
20 been allowed, because they have this special plan
21 that's supposed to be a pilot plan that's been in place
22 for 26 years. So Mr. Gudger has successfully crushed

1 that in the NDAA. It's the first time we've been able
2 to get this done; and, believe me, we had considerable
3 pushback from industry on it. So, but we think we are
4 there, but nothing's passed yet. So, you never know
5 until it's out.

6 What else do we have? Due to our budget
7 increases in our office -- and when I say budget
8 increase, it's not like the department is giving us
9 more money. They're just reallocating funds from other
10 places and putting it into this. So it's a
11 prioritization of the funds. We have an increase in
12 our SBIR program, which is small business innovative
13 research, and we have carving out and setting up a
14 commercialization office. It's exactly what you're all
15 talking about or what Rhett was talking about.

16 The companies start different things, and then
17 they need to take it to the next step, and that's
18 called commercialization. So they build things for the
19 Defense Department, and, yeah, we can use it for this
20 small thing. But, then, where does it go from there?
21 And we are standing up an entire division in our office
22 to focus on that. I offered the Boots To Business

1 support, and please take me up on that, and I will get
2 you the other with Adm. Herb and we'll go forward.

3 And that is all I have from Defense
4 Department.

5 MR. BLUM: It's a good thing he didn't tell
6 you 24 hours in advance.

7 (Laughter.)

8 CAPT. BALZANO: I had my talking points, so.

9 MS. CARSON: This is Barb Carson, SBA. I have
10 a quick question for you.

11 CAPT. BALZANO: Sure.

12 MS. CARSON: Is there a timeline when we could
13 talk more about P-Tacs and what, if they were able to
14 grow, and what that might look like?

15 CAPT. BALZANO: I'd be happy to do that, but
16 I'm not the person for that. But if we could put you
17 in touch, Janice is the one who handles most of that.

18 MS. CARSON: Okay. Good.

19 CAPT. BALZANO: But, yeah. I'll get you my
20 stuff and contact me and we'll take care of it.

21 MS. CARSON: Thank you.

22 MR. MACDONALD: Could you expand on that

1 commercialization initiative that you just mentioned?

2 CAPT. BALZANO: Well, it's fairly new. So I
3 don't have too much on it at the time.

4 MR. MACDONALD: I mean within your small
5 business, though.

6 CAPT. BALZANO: We support and administer a
7 program called "The Small Business Innovative
8 Research," called SBIR.

9 MR. MACDONALD: Oh, okay.

10 CAPT. BALZANO: It's a federal program, not
11 just a DOD program. And the point of that program is
12 we fund companies. And the reason it's in the small
13 business realm is we find that. The best innovation
14 comes from the guy working out of his garage. So the
15 guy that's making this like really high resolute camera
16 to do something, and then we realize, hey, we could use
17 that for this. So what we do is we fund them in
18 different stages to develop that technology. And then
19 once it's developed to a certain stage, either a
20 program of record or a weapon system, or whatever it
21 takes that technology to do whatever they're going to
22 do with it.

1 But, we've invested in this company. And so
2 what we hate to see is them making a sting and then
3 they get done with their defense department business
4 and then they're gone. And then we've lost the
5 industrial base for that. We can't provide parts, all
6 that stuff. So our goal is to help them get to the
7 commercialization point where the IE is selling it to
8 the off-the-shelf type stuff; obviously, not some of
9 the classified things and things like that, but things
10 that are components of it that can be helpful to
11 general society. And that's the effort, commercially.

12 MR. MACDONALD: Okay.

13 MR. JEPPSON: Yeah. Just so you know. So out
14 of SBA, out of our office innovation and research, IRR
15 -- so the SBIRs -- all the rule sets and things over
16 there are run out of the office. But it's really like
17 government, almost government venture.

18 CAPT. BALZANO: Venture Capital, right,
19 exactly.

20 MR. JEPPSON: Yeah. So it's the same office
21 that manages the SBIC program where we do a match with
22 licensed investment companies. This is where on the

1 research side they do run the competitions and do that
2 through the different agencies.

3 CAPT. BALZANO: Yes.

4 MR. JEPPSON: And so DOD certainly has one of
5 the largest funds.

6 CAPT. BALZANO: Yeah.

7 MR. JEPPSON: But, there are many others --
8 HHS.

9 CAPT. BALZANO: It's like a \$2 billion federal
10 program. It is not small.

11 MR. JEPPSON: Right. So, okay. So I think
12 Barb told me that DoD, so next I understand Tom Loney's
13 on the phone.

14 MR. LENEY: Yes, I'm here.

15 MR. JEPPSON: So, Tom, over to you.

16 MR. LENEY: The only thing that I would add,
17 we are also to follow-up at DOL. We have just
18 submitted -- after discussions with SBA we're
19 submitting a rule change for 38 C.F.R. 74. We've had
20 good conversations with your folks in SBA, and based on
21 those conversations we will be revising that rule.
22 We've already done the advance notice of proposed rule

1 change. We've gotten the comments. We've incorporated
2 comments. We have reached out as, I think, Rick
3 Weidman would acknowledge to the VSO and the MSO
4 community. And I just wanted to report to everybody we
5 are moving forward on that aggressively.

6 The last -- the final piece is that we've been
7 in conversations with SBA to make sure that we have and
8 where at all possible we are in -- not in lock step but
9 in collaboration and coordination with that. The other
10 thing that is happening to let you know I have sent a
11 note to David -- the acting secretary -- we are
12 proposing the final rule to establishing an appeal
13 process for verification by the SBA Office of Hearings
14 and Appeals. So we're not going to wait for the larger
15 rule change.

16 Again, we have reached out to the VSO
17 community that the stakeholders, SBA, there's a lot of
18 support for and the desire. We understand the desire
19 to make sure there is an independent appeal process.
20 The VA supports it. Now, we are acting on it and we
21 think the interim final rule will be the way to get
22 there faster. Then, of course, we're incorporating it

1 in the overall rule change. That would be my report.

2 MR. JEPPSON: Okay. Thank you, Tom. I
3 appreciate that. On to you, Tony.

4 MR. EILAND: I'll keep mine short and sweet.
5 We are continuing to expand our outreach to our
6 veterans, service disabled veteran small business
7 community. We have expanded and created a new webinar
8 series as part of our doing business with GSA. That's
9 focused just on veterans small business. It's done
10 once monthly. It's the second Tuesday of every month
11 at 12:00, and it will be done by myself. And it can
12 hold up to -- I believe last count was 200 persons at a
13 time. So I will make sure that the event page on the
14 GSA website has the event. And you can click and you
15 can log on from there. So if you go to
16 www.GSA.gov/events, and just go and you can look up the
17 date and look up the next event.

18 We will also be having an outreach event next
19 Monday, June the 9th. That will be from 12:00 until
20 4:30 where we will be making sure we're hosting for our
21 service disabled veterans primarily. It is open to all
22 small business, but our focus is on service disabled

1 veterans. We will have the NCR community there. We
2 will also be bringing in subject matter experts from
3 FAS and also from public building service. So we
4 highly recommend anyone who's interested in doing
5 business with GSA or learning more about GSA to come.

6 MR. DELLINGER: When is that, Tony?

7 MR. EILAND: Monday, June the 9th. And on a
8 personal note I need to alert everyone today that we
9 are losing our senior executive of Veterans Advocate as
10 of next week. Bill Webster has announced his
11 retirement. So we do not know who will be replacing
12 him, but I hope to honor him
13 Monday, at least to let everybody say goodbye to him.
14 But, as soon as we have somebody, I will let everyone
15 know. Until then, you're stuck with me. Thank you.

16 MR. JEPPSON: Thanks, Tony. So on this next
17 as we move to kind of the federal support here, so I
18 know Jim Wilfong had to leave a little bit early. Let
19 me see if he's on the line and if he's got any comments
20 before he leaves. I should have done this from the
21 get-go. So I apologize.

22 Jim, are you still there? Jim?

1 (No response.)

2 MR. JEPPSON: Okay. He did mention he had
3 another meeting, and that's why he was unable to join
4 us today. So, anyways, we'll contact him afterwards.

5 Coordination of Federal Support.

6 MR. BLUM: Thanks, Rhett. So we had OMB
7 sponsored with the FAR council and the Chief
8 Acquisition Officers Council and the CIO Council, the
9 first ever, government-wide, online dialog on
10 procurement. This was using an internet platform idea
11 scale to not only show people comments in real time,
12 but also to allow participants to comment on other
13 ideas.

14 It's not new in the world, but I think within
15 the federal contracting space for the government the
16 first time that we did this. And it will definitely
17 not be the last, because this is all about getting good
18 outreach. And, but, for a first effort, we got about
19 120 ideas that were posted and 200 comments on that,
20 and about 500 people that were signed up to use the
21 system. And the dialog was broken into three areas.

22 One was in looking at reducing burden, whether

1 it's recordkeeping, reporting, reference search, and so
2 forth. In fact, in the last 20 years or more, I don't
3 actually remember an exercise where we kind of
4 explicitly thought about the cumulative burden that's
5 imposed by these requirements. We certainly had in the
6 government contract space the *Federal Acquisition*
7 *Streamlining Act* and the *Clinger-Cohen Act*, which
8 actually were about 20 years ago. But I don't know at
9 the time that we explicitly looked at how we collect
10 information; you know, how well we use our systems,
11 whether we're collecting things a decentralized way,
12 work could be done in a centralized way, whether we
13 could reduce the frequency, and so forth.

14 So I think it was very healthy to get some of
15 this input and to cause us to really think about are
16 there smarter ways to collect this information. Are
17 there things that we now have in our systems today that
18 we didn't 20 years ago, where we can collect it, rather
19 than constantly asking contractors for this
20 information. And on this front I would note, by the
21 way, that there was a very strong participation by some
22 of the industry associations and members, for example,

1 the Coalition for Government Procurement that obviously
2 participated on the GSA schedules.

3 And I think the number one reporting
4 requirement, or one of the number one top reporting
5 requirements that folks were raising was the price
6 reduction clause, which it's a different variation of
7 what you were talking about. But it does speak to this
8 idea that, you know, for most of the history of the
9 schedules program, we think about pricing in kind of a
10 vertical way -- what's the best pricing within that
11 company and that maybe there are opportunities to look
12 at a little bit more horizontally and in return
13 potentially provide some relief from the costly
14 internal controls that agencies have to maintain in
15 lowering their prices every single time they offer a
16 lower price to their commercial customer.

17 Secondly that we asked about were better
18 buying practices and ways in which we can drive greater
19 innovation into our processes, and also take better
20 advantage of commercial practices. And a lot of the
21 feedback there focused around better communication.
22 Many of you may recall that our office had promoted a

1 myth-busting campaign in part to try to make sure that
2 there was an understanding of what's the sort of
3 outreach that can be done in developing requirements
4 and building RFPs and what-not. And I think there's
5 still a lot of appetite for doing more of that.

6 We recently piloted a rate the agency tool,
7 which is really a mechanism that we hope will be used
8 by agencies across government to regularly collect
9 feedback from bidders, successful contractors, as well
10 as those that participated in the competition and
11 weren't successful, so the agency can do self-
12 assessments on a regular basis about what works well,
13 you know, where communication went well, and what are
14 things that became challenges for the companies and the
15 process that cost them money that, if the agency can
16 think about, they can improve upon. This isn't
17 designed to be a situation where we're rating
18 individual contracts --

19 (A cell phone signal caused interference.)

20 MR. BLUM: But, rather, instructive, getting
21 feedback that agencies can do self-assessments. And we
22 can also learn with them to see where we, from our

1 central perch, can help with the process as well. And
2 there was also a third lane, which perhaps was greatest
3 interest here, was specifically how we can improve
4 access for small businesses, new entrants, minority
5 contractors and other non-traditional government
6 contractors. There was an interesting observation made
7 by many of the participants in the dialog about certain
8 minimum experience requirements that are currently in
9 existence on this, again, on the schedules.

10 Certainly, we want to make sure that all of
11 our contractors are qualified, but it did get us to
12 think a little bit about maybe there are ways in which
13 in certain circumstances it may not necessarily be
14 necessary to have a two-year minimum experience. We
15 may be inadvertently pushing certain companies that
16 could otherwise qualify and do good work for the
17 government to prevent agencies from taking advantage of
18 them. So we haven't taken any steps on anything yet.
19 We're analyzing, but I think a lot of very good ideas.

20 I will mention one more that I think really
21 resonates with some of the comments that have been made
22 previously in again the area of innovation, and in

1 getting some of these new companies in, and recognizing
2 when you're a start-up company you probably have a very
3 short window in order to kind of prove your worth to
4 those that have invested in you. And it's always hard
5 to break into the market. You have to have a certain
6 level of sophistication, which is why Boots To
7 Business, other programs, are so critically important.

8 That said, if it's always a certain degree
9 more complicated to break into the federal marketplace
10 because of the complexity of the process, that means
11 the government is never going to get the benefit of
12 those, whether they're in basements or otherwise, that
13 have this great technology. And there are many ways
14 that this can be dealt with. I think one is we had had
15 conversations or had an initial conversation with some
16 folks within your team about P-Tacs and Small Business
17 Development Centers, and NBDA's development centers,
18 about whether there are opportunities to do a gap
19 analysis and figure out where there may be a need for
20 more directed and better to build on the help that's
21 currently being supported.

22 So, for example, there may be adequate

1 technical assistance, but maybe what is needed is
2 business intelligence. We had a number of companies in
3 like the Silicon Valley, for example, that say they're
4 actually willing to put up with the compliance
5 requirements, at least if they can be relaxed in like
6 the kind of context under this simplified acquisition
7 threshold. But what they don't know how to do is they
8 don't know how do they deal with the incumbent, large
9 business contractor to become a subcontractor, and when
10 is it time for them to go ahead and spend the money to
11 get on the schedule. And they may actually find
12 program people that have an interest in their
13 technology, but they don't know, again, how to make
14 these decisions.

15 And if they have 15 people in their company,
16 they just don't have the ability to have seven of them
17 running around agencies in a very large government. So
18 it's not just getting access to information on business
19 opportunities through Fed Biz Ops, although making
20 improvements there is certainly critically important,
21 but it's this additional step of business intelligence.
22 So we've started a conversation with these

1 organizations that we'd like to build on.

2 And, Barb, I know you had mentioned one you
3 had a conversation. So if we can be part of that, I
4 think that would be great. And one other kind of
5 related one is one of the commenters had mentioned the
6 benefit of the set-aside concept that we were talking
7 about earlier and having a competition within those
8 that, you know, have similar capabilities in terms of
9 their infrastructure. And so one comment that had been
10 made is for a start-up company that, again, they may
11 have capabilities to meet the mission need, but they're
12 not experts in government contracting. So if the
13 government doesn't have a way to be able to evaluate
14 them, and they always have to compete against
15 experienced businesses -- including small businesses
16 that know how to operate within the federal space --
17 it's hard for them to break into the market. You know.
18 This is not a new concept. It's kind of a business
19 development model, except, you know, are there
20 opportunities.

21 And one notion there was like an innovation
22 set-aside where you would actually have competitions

1 limited to those based on very limited experience in
2 the federal market that they have things that they can
3 sell technologies or other things to the government.
4 So we think that there are many very interesting ideas
5 that have been posed from this dialog. I'm sure we
6 would do this again, and we will need to make a much
7 more concerted effort to make sure that this task force
8 and those that are so loyal and being part of these
9 conversations are specifically giving comments back.

10 The comments, for example, that Louise made
11 earlier, are precisely the sorts of things that we want
12 to hear about, because it helps us to prioritize and
13 figure out where we need to focus. So, more to come,
14 but I think it was a very productive exercise.

15 MR. JEPPSON: Okay.

16 MR. MACDONALD: You got me all excited about
17 the innovation set-aside. That sounds really
18 promising, you know. You know the Federal Fleet comes
19 under that circular 11(a), or whatever, and then
20 there's a Mr. Kelly in OMB.

21 MR. BLUM: Yes, yes.

22 MR. MACDONALD: Is he still --

1 MR. BLUM: He retired, but, yeah. No. We
2 know the circular.

3 MR. MACDONALD: Oh, okay. Because I'd like to
4 follow-up with whoever took his place.

5 MR. BLUM: Yes, yes. We can do that.

6 MR. MACDONALD: And discuss this innovation
7 set-aside pilot program.

8 MR. JEPPSON: Anything else from the
9 interagency group members?

10 (No response.)

11 MR. JEPPSON: Anybody else from -- okay. With
12 that, let me press on to just a couple of closing
13 comments. First off, thank you everybody for being
14 here today. Oh. I'm sorry?

15 MS. CARSON: We still have more American --
16 sorry. Pardon me.

17 MR. JEPPSON: I'm sorry. You know. So the
18 American Legion, Bill Ferguson was scheduled to be with
19 us today, and we got a note from him saying that he was
20 not going to be able to make it this morning. He had
21 had an incident with the flat tire. And, anyway, so,
22 and Jim represents VET-Force.

1 MS. CARSON: And did he have any comments for
2 it?

3 MR. JEPPSON: He didn't. He had to leave,
4 yeah. I'm sorry.

5 MR. CARSON: I just wanted to get to public
6 comments.

7 MR. JEPPSON: Okay. So before we get there to
8 public comments, I've got a couple of things. One, I
9 wanted to thank everybody for being here; but, two, is
10 we know we've kind of been on a sideway with the task
11 force here. So I think that we're, you know, with the
12 loss of Maria -- excuse me -- Marie, that participation
13 and frequency have gone down a little bit, while we
14 kind of kept it in the warm mode here. As I mentioned
15 earlier, we do have a new Secretary now. So there's a
16 couple of things that we're going to do that I'm going
17 to let you know about in advance. So you can expect a
18 letter from her to your agency, head respective agency
19 head -- so the Secretary of Defense -- to renominate,
20 and we'll reestablish each of the chairs here. So if
21 you're the current incumbent and you intend to be
22 there, just make sure that you see that. So, because

1 Capt. -- I think it's Andres, actually.

2 CAPT. BALZANO: Yes, it is.

3 MR. JEPPSON: So, and I know that you guys are
4 absent somebody.

5 MR. EILAND: You've got me.

6 MR. JEPPSON: We've got you. So, yeah. But,
7 so with that said, you can expect that letter when we
8 reestablish exactly who's who on the task force from
9 each of the agencies. And in that same letter, we will
10 actually establish the date at the next meeting, which
11 Maria, as you know, by statute and by White House
12 Directive, she is actually the chair of the meeting --
13 not me. I've just been in the caretaker role. So she
14 will chair that. That next meeting will be on the
15 calendar there.

16 CAPT. BALZANO: When do you anticipate this
17 letter, just so I can keep an eye out?

18 MR. JEPPSON: So we'll do that within the next
19 two weeks. The next two weeks we expect to see that
20 out, and we'll establish the date. And, so, we'll ask
21 for the names to be reconfirmed here by then, and then
22 she will chair that next meeting. Okay. A couple of

1 administrative things. We'll be more proactive in the
2 future on getting those dates, and we'll also try and
3 establish in conjunction with that letter a list of
4 dates between now and the end of the year. I know we
5 caught one or two people by short notice.

6 For example, we had been sending the e-mail to
7 Don Graves, assuming he was still the same, the
8 representative. He did move up a slot to Assistant
9 Secretary. We assumed she'd be there, when it should
10 have been Jessica Milano, who is now the DASD there.
11 So just a couple of errors on our part, so we want to
12 readdress that, make sure that we have got the right
13 people and it's on your calendar in a timely fashion.

14 And then in the future, too, we'll actually
15 make a call for slides so that you can have your
16 talking points, and we'll make sure that we have them
17 projected in the future. And we'll also -- again, we
18 did not get a lot of feedback on the agenda on topics
19 covered or you wanted to cover on there. So I would
20 ask it in the future, you know, kind of keep that in
21 the back of your mind. We'll make a call for topics
22 you want us to discuss on that.

1 So, with that, we'll open it up for public
2 comment here as our last event. So, with that, the
3 floor is yours for public comment. If you would just
4 state your name and where you're from, and what your
5 question is. So the time is right now it's 11:00. And
6 so I don't see the need to spend an entire hour at
7 this, but we do want to have a fruitful conversation.
8 So we'll take what time we need.

9 VI. Public Comment, Constructive Suggestions and
10 Discussions.

11 MR. GOLDSCHMITT: Marc Goldschmitt,
12 Goldschmitt and Associates. As I've listened to some
13 of the comments this morning, I think what Capt.
14 Balzano and the issue of commercialization with Matt
15 and Rhett in terms of things like Sharp Tank, I've
16 begun to get some inquiries from companies that are
17 better than service disabled veteran-owned companies
18 that have been in the commercial space or been through
19 incubator programs, and that can be by extension some
20 of the folks looking for venture capital, angel
21 capital, other conventional means of getting capital.
22 As they go through there, they're finding that they may

1 not meet all the criteria necessary to be designated as
2 a service-disabled veteran or a veteran-owned small
3 business to compete for government programs.

4 So, as we move forward with some of the stuff,
5 the redo of 38.74 and other initiatives, make sure that
6 there is either a communication when you do the Sharp
7 Tank type thing so that the agreements these people
8 have to write and agreement come to -- if I've got to
9 give up ownership for some other piece -- that that's
10 consistent. They know what the rules are if they want
11 to now compete for set-aside businesses within those
12 agreements; or the folks writing those agreements need
13 to know the other side of that so that they can put the
14 appropriate language in the agreements and not lock-out
15 some of these guys from being able to compete in the
16 marketplace.

17 Another area where I'm seeing that is the area
18 franchises of what you have to give up. I know that
19 there's been some discussion. I'm not up to date on
20 what it all is, but these guys are going through the
21 program. They're saying why can't I do business with
22 the government. And I don't necessarily have the

1 answers for that. There may be answers or there may be
2 questions we have to ask way down stream.

3 MR. JEPPSON: Okay. Appreciate those
4 comments. Any questions about that? Okay. Thanks,
5 Marc.

6 MS. BAILEY: Shirley Bailey. I would like to
7 bring up a discussion on another barrier to SDVs.
8 Right now with the reauthorization of the
9 *Transportation Act*, if you scale down into the 80
10 billion side of it of the surface on transportation
11 program, there is no inclusion for service disabled
12 vets or hub zone companies. At this point it's limited
13 to only women-owned and minority businesses. So,
14 basically as part of we're looking at a coalition
15 between the veteran community and the hub zone
16 community to pursue congressional legislative change to
17 try to get those two added through the new
18 reauthorization bill.

19 So as of this point, SDVs are totally excluded
20 from participating in all this infrastructure type of
21 contracts. So with all of the emphasis on the *Grow*
22 *America Act* that's going forward and the infrastructure

1 rebuild, we want to make sure that the vets are
2 included in that as a potential for the set aside.

3 MR. JEPPSON: So let me just ask a question on
4 that. Is that the money that goes to the states and
5 then it's re --

6 MS. BAILEY: Right, right. And the definition
7 that they use for DBEs actually excludes service
8 disabled.

9 MR. JEPPSON: So DBEs, that's the California
10 term for --

11 MS. BAILEY: Well that's what it actually uses
12 in the law, too, so.

13 MR. JEPPSON: For?

14 MS. BAILEY: For the transportation program.

15 MR. JEPPSON: Not the SDOSBs?

16 MS. BAILEY: No, it doesn't even have those.
17 They're not even included. And the thought is that
18 this was put into place before those two programs were
19 actually instituted. So the time now with the
20 reauthorization is to get those included so that they
21 aren't excluded from those contracting, small potential
22 set-aside.

1 MR. JEPPSON: Okay.

2 MR. BLUM: That's grant money. Is that right?

3 MS. BAILEY: No, not grant money. It's
4 funded. So, basically, right now, the Hub Zone
5 council, and we're working with the veteran community
6 as well to put out these congressional pitches. We
7 have some white papers already to discuss that, and
8 we'd be happy to discuss that in a further session.

9 MR. BLUM: Can you share the white paper with
10 the task force?

11 MS. BAILEY: Hmm-hmm. Absolutely.

12 MR. JEPPSON: Okay.

13 MR. MACDONALD: That's federal money that goes
14 to the state and the state spends it? And it's not a
15 grant?

16 MS. BAILEY: No. It's not a grant. It's not
17 a grant. So, you know. There's a lot of
18 technicalities about how that actually flows down. But
19 at this point in time, you know, the veteran community
20 is totally excluded from that money. And the estimated
21 value is like \$80 billion. So it's a significant share
22 in the pot.

1 MR. JEPPSON: Okay. Shirley, if you could
2 leave your card with us, that would be great, your
3 contact information.

4 MR. BLUM: Yeah. Because normally when I
5 think of the transportation, it got me interested, but
6 it usually is moneys through grants to individual
7 states --

8 MS. BAILEY: Right, grants to states.

9 MR. BLUM: -- for their transportation
10 projects, which they do have programs, but they're not
11 on -- at least federal government --

12 MS. BAILEY: Right. These are not the grants.

13 MR. BLUM: Okay, but interesting omnibus.

14 MR. JEPPSON: Okay. All right. Other
15 questions? Joe?

16 MR. WYNN: I have a couple of comments. Joe
17 Wynn, VET-Force. One, I just want to mention that the
18 proposed legislation that VET-Force and many of the
19 other veteran organizations had been supporting, H.R.
20 2882, which proposed to move the VA verification
21 process from VA to have SBA do it, language from that
22 legislation was included in the MDAA, which passed the

1 House. So we're now talking to some of the Senators or
2 will be talking to some of the Senators there.

3 Already, some Senators who supported, there's
4 one in particular, who would prefer if this is going to
5 be moved, and rather than it be limited to just having
6 SBA verify for the VA, that it be made federal-wide
7 that they verify for all federal agencies. So that's
8 kind of the point of contention right now, whether to
9 just limit it to have an SBA-verify for the VA or for
10 all federal agencies.

11 MR. JEPPSON: So, in essence, this is what
12 you're saying is that if what the VA was proposing to
13 assist it, it would be a single process administered by
14 SBA applicable to all federal agencies.

15 MR. WYNN: Yes.

16 MR. JEPPSON: So it's one part of entry, one
17 application, one approval process applies to all
18 federal agencies.

19 MR. WYNN: Right.

20 MR. JEPPSON: Okay.

21 MR. WYNN: And, which now you know Tom Leney -
22 - I don't know if he's still on the phone -- but had

1 mentioned that they were submitting changes to the
2 regulations for the VA. Some of those changes would
3 actually call for changes in the language that already
4 exist within the language under SBA. So we're not sure
5 how much confusion or controversy that's going to bring
6 up. So obviously there will have to be some discussion
7 with regard to that.

8 Also, I just wanted to mention too with regard
9 to the meetings here at the Interagency Task Force that
10 there's still seemingly very limited public disclosure.
11 I know it's always posted in the *Federal Register*, but
12 as you can see, the participation among the public is
13 continuing to decline. I mean, you know, some of us
14 who've made comments since it started three years ago,
15 and it's just continuing to decline. So if Interagency
16 Task Force is really intent on continuing its mission,
17 it would be -- you know -- hopeful, delightful to see
18 more of the public, the veteran business owners are
19 made aware of it and participate, provide feedback and
20 so forth, exchange of information and ideas from the
21 veteran business community.

22 MR. JEPPSON: I will -- I will just talk to

1 that. I mean it is a bit of frustration. You have the
2 meeting and, you know, sometimes our participation
3 levels aren't at the level we'd like. I appreciate all
4 of you who are here, but also, you know, from the
5 audience side. So anything you can do to help, we
6 would certainly welcome that, Joe, from VET-Force to
7 help public awareness there. So, because we do just
8 two things. We do publish it and then we do send it
9 out. We have a list of all the VSOs and it gets e-
10 mailed out as soon as we get the *Federal Register*
11 announcement. It goes to every VSO that we have on
12 file.

13 MR. WYNN: Well and I did get the e-mail from
14 Cheryl, and I sent it out through our notice. But, I
15 don't know. Maybe we've just got to reinvigorate the
16 community without the interest level.

17 MR. JEPSON: Okay.

18 MR. WYNN: And which brings me to my last
19 point, which is maybe we need to reemphasize what is
20 the mission. What was the intended mission of this
21 interagency task force, because we're going around. We
22 have -- we have, you know, the SBA veterans advisory

1 committee. We have our group that meets once a month.
2 We have several other groups around town that meet and
3 we have people coming in from different agencies. And
4 they provide -- you know -- information about what's
5 happening within their agencies.

6 So what's the distinguishing difference here
7 about the Interagency Task Force where, you know, as it
8 compares to some of these other groups? It's just
9 talking about what happened, you know, last month at
10 the agency. This Interagency Task Force had a real,
11 specific intended purpose when the Executive Order
12 called for it to be convened. And, you know, so maybe
13 that may have something to do too with why the veterans
14 business community has seemingly maybe lost some
15 interest. So, you know. And I know that, you know,
16 Marie Johns was the original chair of the task force
17 and going forward. You know. I guess the new deputy
18 will be taking over. Did you mention that?

19 MR. JEPPSON: No. We don't have a deputy yet.

20 MR. WYNN: Not yet, right? But I mean coming
21 in.

22 MR. JEPPSON: We don't even have it

1 compensated yet, but by the end of the original
2 charter, in the charter and by statute, it's the
3 administrator who's the named chair. I will not
4 pretend to tell you that she will attend every one, but
5 we will have her here for the next one to chair that.
6 And we will also have the membership squared away.

7 But, obviously, Joe, I think those are really
8 great points. I appreciate your bringing those up, and
9 I will tell you that we'll take any help we can get
10 from you and the folks in your organization to help
11 build awareness of when this is and be here. You know.
12 We always make a call to and are always welcome to any
13 announcements or presentations you've got. We'd like
14 to have those for consideration. We'll try to include
15 as many as we can.

16 MR. WYNN: And my final comment. There was
17 the annual report that I think was due at some point.
18 Did you all already mention what the status of the
19 annual report, you know, the one that's supposed to be
20 submitted to the President each year?

21 VII. CLOSING COMMENTS/QUESTIONS

22 MR. JEPPSON: Right. So, and that report's

1 signed out by the administrator. So then when we have
2 the administrator here, because we did have that gap,
3 it's going through its final stages of check against,
4 so that she can sign it out here. But we do have a
5 holdup with one agency, which has been raised up to a
6 pretty high level right now, so. Okay. Other
7 questions or comments, concerns?

8 (No response.)

9 MR. JEPPSON: All right. I want to again
10 thank everybody for being here. Look. We're done a
11 little bit early today, which I think it brought us all
12 some time back. So thanks again for being here.

13 I appreciate it all and look forward to seeing
14 you in a couple of months.

15 (The meeting was concluded at 11:10 a.m.)

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