U.S. SMALL BUSINESS ADMINISTRATION

VETERANS ADVISORY COMMITTEE MEETING

Thursday, February 18, 2010

9:18 a.m.

409 Third Street, S.W.

Washington, D.C. 20416

PARTICIPANTS:

Jathan A. Chicoine

John M. Garcia

Billy C. Jenkins

Jeffery R. Linscott

Courtney D. Lynch

Ron M. Miller

Cheryl Simms

Raymond B. Snyder

Felix C. Vargas

Stephen H. White

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

2 MR. VARGAS: Well, listen. Welcome, everybody.
3 It's been a while since we've come together. This is our
4 first rendezvous in the new year. And gosh, so much has
5 happened since we last came together.
6 I just wanted to make one very brief comment here,
7 and certainly I would like -- I would welcome your thoughts,
8 here. Billy, I see that you're going to be speaking to us as
9 well, and that's fine. And who is the lady?
10 PARTICIPANT: This is Julie A. Clowes.
11 MR. VARGAS: Julie Clowes?
12 PARTICIPANT: She is up for -- the next speaker.
13 MR. VARGAS: Okay, okay. Yes, yes, yes. Okay,
14 we're a little behind here.
15 But real quickly, we have come to Washington at a
16 time when there is a political gridlock like we have never
17 experienced. And what that means is challenges and
18 opportunities for this advisory committee to provide
19 solutions that can create the basis for some bipartisan
20 cooperation. I really feel that, when it comes to helping
21 veterans, veteran entrepreneurs, that this is something that
22 both sides of the political aisle can relate to and support.

1 And it goes just beyond the approach here, which
2 has been to throw statistics at the problem, you know. There
3 is some people in power and they think that the more
4 statistics you throw out, the more you can convince people.
5 And I -- you know, those of us who have been around know that
6 it takes, really, a lot more than that. You have to be
7 perceived as actually doing something very positive here.
8 So, I want us to think about that, as we get to the
9 discussions that we will have, as a committee. And as we
10 look at the report as being a possible blueprint for things
11 that can be done -- and we will have opportunities with some
12 of the SBA people later today to engage them on these
13 recommendations and how we can work together collegially to
14 advance an agenda that most benefits our veterans.
15 With that said, I would like to ask if there is any
16 committee member who would like to make a statement now,
17 before we ask Billy to speak to us. Steve?
18 MR. WHITE: I would just like to thank you
19 personally, Felix, because I know this report was 90 percent
20 you. And I think it's excellent, and I just want to commend
21 you on a very good job.
22 MR. VARGAS: Thank you, Steve. Thank you. Thank

1 you very kindly. I did have some input from people, and I
2 appreciate very much the input I got. And my only hope is
3 that it reflects, to some extent, a sort of consensus among
4 the committee that this can be a basis for action ahead.
5 Anyone else, please?
6 (No response.)
7 MR. VARGAS: Bill, you're on.
8 MR. JENKINS: Yes, all right. Thanks for allowing
9 me to be here today to service you guys. I want to go over
10 the agenda and I will turn the mic back over to you, Felix.
11 So, what do we have planned today? Of course,
12 9:00, you've got a meeting. 9:15 we have Julie, and I will
13 move expeditiously to make sure that we can get her on. At
14 10:30 we have me again, and we will talk about where we are
15 with the veterans contracts issues and what we're doing for
16 the vets.
17 We have a break at 10:45 to 11:00. Raymond Snyder,
18 deputy associate administrator for the office of veterans
19 business development will be in to speak with you and be with
20 you for the rest of the day.
21 And then we have a lunch break at 12:00 until 1:30.
22 At 1:30 to 2:15, Ana Ma, SBA chief of staff, and then a

1 break at 2:25 to 2:30. From 2:30 to 3:00 we have Calvin
2 Jenkins, deputy associate administrator of the SBA government
3 contracting and business development.
4 And of course, if we have any special issues that
5 we want to deal with in that area, it would be a good time to
6 do that. And, John, we have already discussed something that
7 we need to deal with.
8 To -- 3:00 to 3:15, public comment period, 3:14 to
9 4:15, committee decisions, and 4:30 p.m. adjourn, dinner.
10 And of course, for tomorrow, 9:30 (sic) to 15
11 (sic), a recap of the previous day's activities, committee
12 administrative matters, 9:15 to 10:00, introductions,
13 presentations, discussions with SBA. Mr. -- Terry -- what's
14 that, Schow? President, National Association of State
15 Directors in Veterans Affairs, 10:00 a.m. to 10:30,
16 discussion of procurement and achievements.
17 Then we will break again at 10:30 until 10:45,
18 10:45 or (sic) 12:00, continuation of procurement and
19 achievements. 12:00 to 1:00, lunch. 1:00 to 2:00, veterans
20 office business development 2010 update. Okay, 2:00 p.m. to
21 2:30, we have Eric -- what's that Zanikow?
22 MR. VARGAS: Zanikow.

1 MR. JENKINS: Zanikow, associate administrator of
2 SBA Capital Access. 2:30 to 3:00 p.m., Holly Schick, deputy
3 administrator of SBA's entrepreneurial development. 3:00
4 p.m. to 3:15, public comment. 3:15 to 4:00 p.m., committee
5 discussions. And then, 4:30, we adjourn.
6 So, Felix, with that, I will turn the mic over to
7 you, so that we can move on to deal with our person here for
8 9:15.
9 MR. VARGAS: Thank you, Billy. And thank you very
10 much for your assistance in putting this agenda together.
11 Cheryl has been working very hard on it as well, I know. And
12 Dick Snyder has a role. We appreciate that effort.
13 We know that certain things didn't materialize that
14 we wanted to, due to the -- those white flakes that came down
15 in great quantities, here in Washington. The agenda is very,
16 very good, and I appreciate the work on that.
17 Ms. Julie Clowes, attorney advisor SBA, where would
18 you like to sit? Up here? Is that fine?
19 MS. CLOWES: That's fine.
20 MR. VARGAS: All right. Now, I -- this is a
21 presentation to make sure that we understand the rules of the
22 road.

1 MS. CLOWES: Yes, sir.
2 MR. VARGAS: And we appreciate that,
3 MS. CLOWES: Let me just -- you guys probably all
4 have copies of this already, but it can't hurt to hand them
5 out to you again.
6 MR. VARGAS: Okay.
7 MS. CLOWES: And I'm with the office of general
8 counsel. And I think I've probably seen all of you at least
9 once before. Welcome back to the building. And I am the
10 attorney who is charged with handling advisory committees for
11 the Agency, as far as the legal issues go.
12 So, one of the things that Bill Elmore has invited
13 me to do is come in and kind of give you -- I hate to call it
14 an ethics briefing, but it's kind of more of a rules of
15 conduct, standards of conduct, and some of the rules that
16 govern advisory committees here at SBA and government-wide,
17 actually.
18 You guys know that -- what you are charged with.
19 You are, you know, a statutorily created committee, and you
20 are here to provide advice and recommendations to not only
21 SBA through Bill Elmore and the administrator, but also to
22 Congress and the President.

1 So, you are a statutorily created committee, so
2 your statute is, first and foremost, what governs your
3 activities. But there is also what's called the Federal
4 Advisory Committee Act, which is another body of law that
5 governs committee activities. And, in addition to that, we
6 have got agency policy, both in the form of regulations and
7 our internal policy, our standard operating procedure. So,
8 all of those things kind of govern the activities of the
9 counsel, and the expectations of the members.
10 So, with that said, I will kind of go over some of
11 these for you. Hopefully most of these are familiar to you
12 all. If you have any questions, please feel free to ask me.
13 If there is personal questions that you have that you don't
14 want to discuss in front of the group, feel free to talk
15 later. Or, if you have something that you want to funnel up
16 through Bill Elmore, he can get the questions directly to me,
17 as well.
18 So, the thing that's most important for you to
19 know, and which governs a lot of the rules of behavior here,
20 is your status. You are all serving in what we call a
21 representational capacity. So you are not government
22 employees in this purpose. And you are not special

1 government employees or regular government employees.
2 And the good news for you is that means the
3 government ethical standards, which are criminal statutes,
4 don't apply to you. However, there are other rules of
5 conduct that do apply to you, as a representational advisory
6 committee member.
7 So, we have kind of divided them into some do's and
8 don'ts, and hopefully most of this is familiar. All of these
9 rules are really designed to protect both you and the Agency
10 from any conflicts in interest or other issues that might
11 arise.
12 We do -- of course, we expect you to attend all the
13 meetings. We do ask, if there is any change in your status,
14 that you do go to notify your DFO, which is Bill Elmore, of
15 your status and any circumstances that could result in any
16 change in your relationship with the Agency if a potential
17 conflict of interest is created, or even the appearance of a
18 conflict of interest.
19 It's better when we know before something happens,
20 if a situation is about to occur, so we can provide you with
21 guidance and assistance, rather than after the fact, when we
22 might have to cure a situation. So B

1 MR. VARGAS: Could you give us a couple examples of
2 what could create this appearance or conflict?
3 MS. CLOWES: If someone will come down seeking
4 approval -- if you -- let's say you decide in your personal
5 capacity that you wanted to apply for any SBA assistance, for
6 example, a loan or 8A certification, for example, or even if
7 you want to bid on a contract, a competitive contract that's
8 out there, or even a less competitive one, through the 8A
9 program, if you are in a business or about to enter a
10 business venture with, perhaps, a group that is getting
11 assistance from SBA already, through the form of a grant or
12 other nature.
13 There is just things that we like to evaluate, and
14 we like to do it on a case-by-case basis, so that we can look
15 at the particular facts of your situation, and see what, if
16 any, conflicts are arising.
17 That goes into the seek approval. If you do decide
18 to seek any SBA assistance, other than disaster loans --
19 disaster loans, since they are widely available to anyone,
20 are excluded. But any other assistance, and that could be
21 anything from the 7A loan program to the 504 loan program, 8A
22 certification or HUB zone certification, contracts, we like

1 to -- we have what we call a standards of conduct committee,
2 which is set up through our ethics program, and they like to
3 evaluate the situation on the case-by-case basis.
4 This is, again, just to protect you and the agency
5 itself from any criticism, et cetera.
6 The other issue, with regards to confidentiality,
7 you may, from time to time, be in a position where you are
8 looking at what we call confidential information. Either
9 it's information that has maybe not been released to the
10 public yet, or, if you're ever in a situation -- let's say,
11 for example, you're asked to review -- sit on a panel to
12 review some kind of award nominees, and you're looking at
13 some of their financial statements, and other things that
14 would be deemed confidential, we do -- you know, you do have
15 that -- you know, we ask you to keep the information that you
16 learned that's not publicly available confidential, should it
17 come across your desk in your capacity here as an advisory
18 committee member.
19 This information can always be related to the
20 Agency itself, or it could be related to a small business or
21 a resource partner at the Agency.
22 Okay. So we get into the don'ts. You do serve in

1 an advisory function to the Agency. So we ask that you do
2 not lobby or fund-raise on behalf of the Agency or the
3 federal government, for that matter. We ask that, you know,
4 you don't engage in any conduct which would call into
5 question your good character, or raise serious doubts, or
6 create a conflict of interest.
7 If situations arise, like a one-off situation,
8 where you do have a personal knowledge of an issue or
9 something, it's something you should discuss with us, and we
10 may ask that you just recuse yourself from that particular
11 debate or discussion, if you do have a personal interest in
12 something. But again, those are things that we like to look
13 at on an individual, case-by-case situation.
14 We ask that you don't make use of any information
15 you've gleaned here for personal gain, or anything to affect
16 your financial interests.
17 The next category is misuse of title or position.
18 You have many hats that you wear. And one of your hats is
19 the advisory committee member.
20 And so, while you have that hat on, we ask that you
21 don't use your position as advisory committee to -- the
22 veterans business advisory committee -- to endorse any

1 outside products or services or entities, that you don't use
2 that specific title to influence federal, state, or local
3 government officials -- basically, it's not lobbying -- or
4 that you use it to obtain any benefits that aren't widely
5 available to the public.
6 This could be, you know, asking to travel and get a
7 government rate when you're not actually traveling for
8 government business. So, taking your family vacation and
9 trying to get the government rate at a hotel, or something
10 like that.
11 Also, we ask that you don't advocate or represent
12 any small businesses or other entities that are applying for
13 SBA assistance. Now, we do realize some unique situations
14 may crop up. And if that is the case, we ask that you again
15 come and talk to us, and we look at the situation case-by-
16 case.
17 I think it would be a very rare situation, but if
18 you were -- I don't know if anybody here is a practicing
19 attorney, but that could be one situation where, you know, in
20 your private capacity you have a representational role, but
21 yet you also have this role.
22 MR. JENKINS: We wouldn't ask an attorney to be on

1 this committee.

2 (Laughter.)

3 MS. CLOWES: You just tolerate me.

4 (Laughter.)

5 MS. CLOWES: But that's -- you know, there are

6 certain -- we don't want to put any blanket restrictions on

7 you, but we do like to evaluate things on a case-by-case

8 basis. Because we know, you know, business and other

9 opportunities arise that you can't predict right now. So we

10 do like to have an open dialogue with the committee members.

11 And the sooner that you can alert us to any potential

12 situations, the better it is for everybody.

13 I don't know -- the other issue that we get a lot

14 of questions about from all the committees has to do with

15 their -- your capacity as a representative, and what you can

16 and can't say. You always can express your own opinion, and

17 -- you know, if you're -- whoever you're talking to, whether

18 it be a member of the press, whether it be a congressman, or

19 another association. You can always say, "I believe," "I

20 feel," "My opinion is such." That -- not a problem.

21 What we do ask is that you don't take the position

22 that -- "Well, the SBA believes this," if it's not something

1 that's a public statement. And likewise, the same for this
2 body, itself. You don't want to say, "Well, the committee
3 believes that," you know, this policy should be this, when
4 you guys have not sat here and deliberated and voted and
5 decided that that's actually what your official policy is
6 going to be.
7 So, if you -- I understand -- they just gave me a
8 copy of it -- that you have your report. So if you've got
9 some policy statements here that you've all voted on,
10 approved, and agreed, and these are the recommendations, you
11 can move forward. And then, absolutely, you can say that, as
12 a committee, "This is what we believe," or, "This is what we
13 think should -- we recommend."
14 But we do ask that if you're not at that point
15 where you've got a deliberative product or a deliberative
16 statement, you know, that everybody agrees to, or that the
17 committee has voted upon, that you keep your statements
18 personal, to your personal belief.
19 So -- and that's -- it's pretty much it. I know
20 it's not going to take the whole time, so Billy can have
21 extra time.
22 (Laughter.)

1 MR. JENKINS: No, no, no, no, really, that's good.
2 MR. WHITE: Has anybody considered asking you to
3 read the same thing to Congress?
4 MR. JENKINS: That's another good one.
5 MS. CLOWES: You know, they have a whole different
6 set of ethics rules. And don't even ask me to explain.
7 MR. VARGAS: They've got their own, that's right.
8 MS. CLOWES: Yes, we like to work with you guys,
9 because, like I said, we don't want to prohibit you from
10 opportunities and things that arise. But we also don't want
11 anybody, including ourselves or yourself, to get into trouble
12 needlessly.
13 MR. VARGAS: Okay.
14 MS. CLOWES: So B
15 MR. VARGAS: But you laid out what I consider as
16 very common sense and very straightforward, very necessary,
17 you know. I think, as many were certainly aware of these, we
18 lost a committee member just recently, folks. You know,
19 Frank Mancini has applied for some assistance from SBA, and
20 he has resigned his membership on the committee. We lost Pat
21 Heavey last year for the same reason.
22 So I think these are two clear examples of where

1 committee members have understood these rules, and have
2 complied -- to the loss of this committee, I might say. But
3 understandably, these are things that come into one's
4 business decisions at times to consider.
5 So we thank -- are there any comments or questions
6 that you want to ask of Ms. Julie Clowes?
7 (No response.)
8 MR. VARGAS: If not, I want to thank you very much
9 for visiting us again.
10 MS. CLOWES: Thank you.
11 MR. VARGAS: And we hope to see you B
12 PARTICIPANT: Do you have a card with you?
13 MS. CLOWES: You know? I don't. I'm sorry, I was
14 running from another meeting and I forgot to grab -- I can go
15 get some and bring a stack back for you.
16 MR. VARGAS: All right that will be very nice.
17 Okay.
18 MS. CLOWES: Okay?
19 MR. VARGAS: Thank you, Julie.
20 MS. CLOWES: All right.
21 MR. VARGAS: All right, and have a great day.
22 MS. CLOWES: Thank you guys. Good luck with your

1 meeting.

2 MR. VARGAS: Thank you very much.

3 PARTICIPANT: Thank you.

4 MR. VARGAS: Folks, what I would like to propose

5 now, before we get to Billy, is maybe we have a sort of

6 coffee break for those of us who want to make -- you know,

7 go down to Starbucks or some other place and grab one.

8 Unless anyone has an objection, let me suggest we go on a

9 break here, and come back at, say, 10:15. Is that good?

10 MR. WHITE: With our passes we can get in and out

11 now?

12 PARTICIPANT: Well, if you have it, fix it to your

13 lapel. Because, yes, they're going to screen.

14 (A brief recess was taken.)

15 MR. VARGAS: Well, let's see. On the agenda here,

16 Bill, we have you on again to talk about, what, business

17 development? Government? What do you want to talk about?

18 MR. JENKINS: Well, let's talk about the

19 procurement issues. Because, you know, we have this fire

20 brand out there, as a result of a GAO investigation, that

21 discusses fraud, waste, and abuse in the service-disabled

22 veteran community.

1 And we are attacking that problem through
2 education. Because we find out -- we find that a majority of
3 the firms that blunder into these mistakes are firms that
4 have not been educated about regulation and law, and
5 specifically the federal acquisition regulation.
6 So, what I've started doing was educating the vets
7 specifically in the area of 13CFR125.9 that says to the vet
8 that they must unconventionally control 51 percent of that
9 firm. And some folks are still having a problem grasping
10 that, and especially when a large corporation comes in and
11 says, "Look, we're going to take care of you, but we're not
12 going to give you that 51 percent, we'll give you 20
13 percent." And we've got to -- quite a few takers out there.
14 So, through educating the veteran, we are trying to
15 turn that tide, and let the veteran know that, in these
16 arrangements -- and specifically in joint ventures -- that
17 they are the tail wagging the dog. They are in control.
18 So, it appears as though we are going to -- that we
19 are making some progress. But then we do have a resource
20 issue, one veteran trying to teach all of the rest of the
21 veteran population.
22 For instance, this past year I had 163 classes that

1 I held, either individually, with firms, or several firms
2 together, teaching them about the 13CFR125.9, and also
3 explaining to them the pitfalls involved when entering into a
4 joint venture or teaming arrangement.
5 Some of the feedback that I am getting is positive,
6 you know, they get it. And when they are engaging in these
7 arrangements, you know, they are telling the firm that, as
8 the partner, that "We are in control, we are going to control
9 51 percent of those proceeds," and that, "We will have our
10 project manager in place."
11 Hopefully, if we can get some additional resources
12 around the country teaching the same thing, then we will not
13 have an instance or instances where companies are being
14 protested, and then we find out that because of the way that
15 that money is flowing in the firms, that they are in
16 violation of law.
17 I am entertaining a number of calls from my IG
18 investigative office around the country, and I have begun to
19 teach the investigators about the regulation. Because we
20 find out that a number of our employees are not aware of the
21 regs, either. Yes.
22 MR. WHITE: I just want to ask a question.

1 MR. JENKINS: Sure.
2 MR. WHITE: You team up with the Center for Veteran
3 Enterprise at the VA at all? I mean are they pushing that
4 public law? We've been pushing public law 108. But you've
5 got to be 51 percent.
6 MR. JENKINS: Mm-hmm.
7 MR. WHITE: The process I don't like is that they
8 allow the vet to fill the application out, it comes to them,
9 and then they make sure they have 51 percent. That
10 certification needs to be done at the grass roots level, so B
11 MR. JENKINS: That B
12 MR. WHITE: And that's not happening.
13 MR. JENKINS: You're correct. But see, here is
14 another problem. Once they have done that certification, and
15 then they go out for their contract with a teaming
16 arrangement, they're in jeopardy again.
17 MR. WHITE: The veteran company?
18 MR. JENKINS: The veteran company.
19 MR. WHITE: So if you certify the vet as a 51
20 percent owner?
21 MR. JENKINS: Right.
22 MR. WHITE: And then he teams up, that company he

1 teams must be 51 percent owner, also?
2 MR. JENKINS: No, no, no. The vet must always
3 control 51 percent.
4 MR. WHITE: Yes, sure, right.
5 MR. JENKINS: Okay. But what is taking place, once
6 they develop their proposal, they are not needing the 51
7 percent.
8 MS. LYNCH: Are they giving up equity to become
9 part of the teaming arrangement?
10 MR. JENKINS: They're giving up -- I am finding out
11 they're giving up equity, stock, everything. And B
12 MR. WHITE: With the primary?
13 MR. JENKINS: Well, the vet is the primary.
14 MR. WHITE: Right, but how is -- why -- how is he
15 doing that, then? Someone is not advising him here.
16 MR. JENKINS: That's correct. And that's our
17 issue. We have a growing program.
18 MR. WHITE: Yes.
19 MR. JENKINS: It's become very popular. And the
20 big guys know this. But our guys don't.
21 MR. WHITE: Well, yes. Because I can tell you
22 right now the SBA office's guys, they don't know this.

1 Because they're not giving that info out. And my office is.
2 We're working with the VA. But I don't like the
3 certification process. There is some failure windows in
4 there. Yes. I can see what your problem is occurring here.
5 MR. VARGAS: Well, certification is becoming a real
6 political -- a real hot potato.
7 MR. WHITE: Well, you know B
8 MR. JENKINS: If you know, I'm sitting over here,
9 and I'm kind of silent on that issue, because of the fact
10 that it is a political hot potato, okay?
11 MR. VARGAS: I mean I sat in through one of two
12 hours of agonizing discussions at the vet force here on
13 Monday, and it was just amazing to see how many people get
14 wrapped around the pole on this issue.
15 And the -- it would help if federal agencies could
16 agree on what the policy is going to be, what the standard is
17 going to be, and how you're going to implement this. Because
18 there is a lot of confusion out there.
19 And no one -- you know, it would be great if the VA
20 took the leadership here. But no one seems to be doing that.
21 And I B
22 MR. GARCIA: I mean there is too many cooks out

1 there.

2 MR. VARGAS: Why doesn't the SBA jump into this and

3 exercise leadership?

4 MR. JENKINS: Okay. Understand. We're -- really,

5 at this point, we're talking two subjects. One is the

6 certification process on the front end.

7 MR. WHITE: Right.

8 MR. JENKINS: And then the other issue that comes

9 up, when the vet submits a proposal, and in that proposal it

10 shows that that money is not flowing to that vet.

11 MR. GARCIA: So, because of --

12 MR. JENKINS: See, you can get certified, and

13 you're a service-disabled vet, but if somebody protests you,

14 and you're the successful author on that contract, if you get

15 protested and we find that your joint venture is not correct

16 or legal, then you lose your certification. Jeff?

17 MR. LINSCOTT: Jeffrey Linscott. But so B

18 MR. JENKINS: Jeffrey, before you start -- but your

19 point is correct. On the front end there needs to be more

20 cooperation between the agencies.

21 MR. VARGAS: Let me just interrupt and say Charles

22 Cervantes, who formally headed the office on the small

1 business, and focused a lot on the issue we're talking about
2 -- certification, procurement, and all that, is joining us as
3 a guest here.
4 MR. JENKINS: I want to deal with both of the
5 issues, the certification and the issues that we are having
6 when our vets are submitting what appears to be successful B
7 MR. GARCIA: And let me just clarify in my mind.
8 You have the service-disabled vet that the Center for Veteran
9 Enterprise tries to push on public law 108 B
10 MR. JENKINS: Right.
11 MR. GARCIA: -- that should be certified as a 51
12 percent veteran-owned.
13 MR. JENKINS: Correct.
14 MR. GARCIA: And then you have the SBA veteran
15 business development program. You don't have to be a
16 service-disabled vet, it's just a veteran.
17 MR. JENKINS: It's a veteran program, yes.
18 MR. GARCIA: It's a veteran program, similar to the
19 8A.
20 MR. JENKINS: I'm not -- no, it's not.
21 MR. GARCIA: Right?
22 MR. JENKINS: No.

1 MR. VARGAS: No.
2 MR. GARCIA: But you still have to be 51 percent.
3 MR. JENKINS: Any small business endeavor, if
4 you're going to be on a government contract, you must control
5 51 percent of that requirement.
6 MR. GARCIA: Okay. Any? Okay. Across the board.
7 MR. JENKINS: Any.
8 MR. GARCIA: Across the board.
9 MR. JENKINS: Across the board.
10 MR. GARCIA: Okay. And anyone who doesn't fall
11 within what you're just talking about -- but in this case
12 it's veterans that aren't B
13 MR. JENKINS: Right.
14 MR. GARCIA: Okay.
15 MR. JENKINS: And our veterans are suffering
16 because they don't know how to put their agreements together,
17 or they've engaged with an organization, another company,
18 that has instructed them incorrectly.
19 MR. GARCIA: Well, what about these procurement
20 assistance centers? Aren't they helping guide these guys? I
21 mean your SBA offices, nationwide? Aren't they doing that?
22 MR. JENKINS: Well, not to step on anybody's toes,

1 a lot of people really don't understand the joint venture
2 model. And I have found in my travels that there are a lot
3 of contracting officials that do not understand it.
4 MR. WHITE: Isn't the basic issue whether they're
5 acting as -- the bigger company is just looking at the
6 veteran to be the front man on the contract?
7 MR. JENKINS: That's what we are talking about.
8 MR. WHITE: Isn't there an acid test for whether or
9 not you're a front man or you're actually the business?
10 MR. JENKINS: The acid test is usually through a
11 protest procedure. Whereas, if you were another service-
12 disabled vet, you know that my documents are not correct, and
13 you protest it.
14 MR. WHITE: Well, I mean, as a former banker, you
15 come to me for a loan --
16 MR. JENKINS: Yes.
17 MR. WHITE: I'm not going to give you a loan until
18 I go out and look at your shop, and see that you can actually
19 produce what you say you're going to do, right?
20 MR. JENKINS: Yes.
21 MR. WHITE: So this guy has got a contract, and he
22 is saying, "I'm going to produce airplane engines."

1 MR. JENKINS: Mm-hmm.
2 MR. WHITE: Right?
3 MR. JENKINS: Mm-hmm.
4 MR. WHITE: He says, "Well, where is your shop?
5 How are you going to produce these things?"
6 "Well, I'm going to subcontract this out."
7 "To who? Boeing?"
8 MR. JENKINS: Okay, good point. Because in the
9 contracting process, it is the contracting officer's
10 responsibility to do what they call a pre-award survey. I am
11 going to go through the documents, and make sure that they're
12 in order. And if that money is not flowing properly in that
13 joint venture, then I am supposed to ask for clarification.
14 And if I see that they are really trying to defraud the
15 government, I will not award that contract.
16 MR. WHITE: It just doesn't seem that difficult to
17 me.
18 MR. JENKINS: Well, the problem that we're dealing
19 with -- there are a number of problems that we're dealing
20 with in that process, and I have always used -- in this
21 situation -- this analogy.
22 Government spending, without the inclusion of the

1 stimulus funds, increased 140 percent over the last 18 years.
2 Contracting staff decreased by 20 percent.
3 Now, what does that do? It puts a work force under
4 more stress, and they're going to find more creative ways,
5 and they're going to need regulations. And this is what we
6 have found.
7 So, if -- the reason the contracting officers are
8 not going through their pre-award process is because they're
9 pushing paper. They've got a contract requirement to get out
10 the door, they've got the pressure from the program offices
11 that need the service, and they're just pushing that paper
12 through.
13 Now, the vets that are very well trained, they're
14 protesting those requirements, and they're actually kicking
15 folks out the door. But the one thing that is happening is
16 that our service-disabled vets that did not have the
17 knowledge are being crippled.
18 I have had a case here recently where a vet called
19 me and said, "I lost my certification." And once he re-
20 submitted his paperwork back through SBA, after he had to
21 restructure the company, because he had affiliation issues --
22 he's an honest person. But because of the way he aligned

1 himself with a company, he was determined not to be a
2 service-disabled vet.
3 MR. GARCIA: Not to be one?
4 MR. JENKINS: Correct.
5 MR. VARGAS: Jeffrey has got some points.
6 MR. JENKINS: Yes? Go ahead, Jeff.
7 MR. LINSCOTT: I think we hit on the couple of
8 times we said the bigger issue. As we approach the future,
9 we have three prongs in our approach.
10 The first prong, which we're talking about now, is
11 actual government procurement contracting opportunity, and
12 then one's access to capital and one's development.
13 MR. JENKINS: Right.
14 MR. LINSCOTT: And so, if I understand your couple
15 of examples, specific cases, I am a service-disabled veteran.
16 I own a small business. I have bid for an earmarked
17 allocated contract which is for a service-disabled veteran
18 opportunity. That opportunity I have to produce -- just bear
19 with my sarcasm -- I have to deliver 4,000 million tons of
20 product. For my small business service-disabled opportunity,
21 I have to give DoD 45 battleships. But it's designated
22 "small business opportunity."

1 MR. JENKINS: Right.
2 MR. LINSCOTT: Well, so I can't grow to actually --
3 I can bid, because I am a service-disabled small veteran.
4 But in order to bring the 45 battleships to the party on
5 time, I have to hire some shipyard manufacturer that -- I
6 should structure that deal that I'm 51 percent control of the
7 funds.
8 And so, I think, as we go back to my circle of the
9 larger issue, small business opportunities should be, in
10 essence, small opportunities, and many more of them, not too
11 large of opportunity that it's reasonable for a small
12 business to even have.
13 And so, if that's kind of what's going on here --
14 the opportunities are too large, but they're designated
15 service-disabled small business B
16 MR. JENKINS: Right.
17 MR. LINSCOTT: -- and in order to even produce the
18 product required by the spec B
19 MR. JENKINS: Okay, okay, okay B
20 MR. LINSCOTT: -- they have to go to a larger
21 company, which is not service-disabled owned to produce. So
22 that, in its nature, is a problem.

1 But back to, I think in this committee, our larger
2 issue, we keep forcing procurement, and get procurement
3 allocations when, if really, the veteran had good development
4 -- which the centers got funded -- and good upgrowing
5 opportunity with access to immediate capital to grow, when
6 they could get that job, to grow their own employees, their
7 own positions within themselves, to serve that customer
8 enough lead time.
9 So say the awards currently -- most of my -- you
10 bid today, and you have to produce service within two weeks.
11 Most federal procurements say if awarded, the option to move
12 is two weeks away. Well, if I wanted to grow an aircraft B
13 MR. JENKINS: Most of it is 30 days, but I
14 understand B
15 MR. LINSCOTT: But some options are two weeks.
16 MR. JENKINS: Okay.
17 MR. LINSCOTT: Well now, if I got awarded a
18 contract, and I had that contract, I don't know of a bank, if
19 I needed to have some additional equipment and personnel in
20 place to support and service the contract I just got, I don't
21 know of a program yet that put money in my pocket in two
22 weeks.

1 MR. JENKINS: Let me help out in that area.
2 MR. LINSCOTT: But you see where I'm going?
3 MR. JENKINS: Yes.
4 MR. LINSCOTT: Because I think we want to fight for
5 more procurement opportunities, but I don't think our
6 constituents have the resources they need, and the access to
7 actually grow to serve the larger jobs. And B
8 MS. LYNCH: It has to get competitive to win the
9 business B
10 MR. JENKINS: That is right B
11 MS. LYNCH: Because of -- a lot of people are
12 starting off with the government, and the government is
13 clearly saying, "We want you to have a corporate background,
14 corporate experience" --
15 MR. LINSCOTT: And in our arena, it requires three
16 years' successful contract, federal government procurement
17 history, in order to even be competitive with B
18 MS. LYNCH: Yes, there is a mixed message. Start
19 with the government, and expand in the world B
20 MR. LINSCOTT: And so B
21 MR. VARGAS: Let me just -- can we ask you a
22 question?

1 MR. JENKINS: Before -- I want to say, before you
2 ask your question B
3 MR. VARGAS: Okay, all right.
4 MR. JENKINS: I want to say that your joint venture
5 model, if done correctly, will give you capability and
6 capacity to meet the government's B
7 MS. LYNCH: To be a prime?
8 MR. JENKINS: Yes.
9 MR. LINSCOTT: Okay.
10 MR. JENKINS: And then we have the other issue.
11 And I want to touch on this, because I want to make this
12 point clear. We need to educate our group, our service-
13 disabled vets, but we also need to educate the contracting
14 officers.
15 MR. LINSCOTT: And those -- like, in my mind, a mod
16 that we could push for in the procurement regulation system,
17 if it's a service-disabled veteran opportunity, and the scope
18 is such, maybe the proper amount of lead time -- which
19 initially would hurt, if they had to wait for service B
20 MR. JENKINS: Right.
21 MR. LINSCOTT: But maybe the proper amount of lead
22 time on these service-disabled opportunities is six months,

1 or something.

2 MR. JENKINS: You know, we're in a war, and the

3 government is not going to do that.

4 However, to deal with the funding issue -- because

5 I had a veteran that I was working with that just won a $6

6 million requirement and he says, "I can't get financing for

7 it," so I had to dig in the FARs B I think it was FAR 33 --

8 and said, "Well, look, guy. Go back to that bank and tell

9 them you want to do an assignment of proceeds, and that will

10 -- they will generate a three-signature document, one for the

11 company, one for the contracting officer, and one for the

12 bank."

13 And each time that an invoice is issued to the

14 agency -- and, by the way, the agency cannot decline to sign

15 that document. The contracting officer must sign. So, when

16 that is done, when the invoice is submitted, the bank calls

17 the agency, I understand an invoice is submitted, and that

18 money goes to a lock box. And that provides you with your

19 funding.

20 MR. VARGAS: Courtney, what do you see as a

21 solution to this important issue of education, proper

22 information that's flowing to veteran-run small businesses to

1 help them avoid these kinds of pitfalls in teaming and joint
2 ventures? What would you see that can be done that we should
3 push for?
4 MS. LYNCH: I have one question to Billy to ask to
5 help augment my answer to that. But a gut answer would be
6 something that is simple, and a prescriptive path. And I
7 won't say a formula, because there is different ways for
8 everybody to skin the cat of working in the government space,
9 but something that's simple, and starts more basic than
10 people would think, and has very specific forces of action.
11 Because right now, what seems to be available is
12 just, "Here are a bunch of resources. Figure out the
13 resources." And you don't know what resource is what, and
14 which resource will actually be effective, and which one is
15 the right path to go.
16 So, some sort of -- I know there is not one-track-
17 fits-all, but some sort of very simple step-by-step process
18 that a veteran can follow.
19 MR. VARGAS: And what would be the two or three
20 elements that you would see in that process that would make a
21 difference?
22 MR. JENKINS: One, letting people know that there

1 is funding and start-up funds available, and someone to
2 assist you -- so kind of the where to get the money to get it
3 going.
4 And then, two, who will -- who or what, or what
5 process to follow to actually understand the regs, that you
6 have to have 51 percent ownership, starting a business,
7 building -- I mean articles of incorporation, I mean all the
8 stuff that goes on, whether you're starting an SDVOB or not,
9 but something that can help you get the right framework, and
10 get out of the gate.
11 And then, three, an understanding that -- you know,
12 some of the training that's fantastic is the training the GSA
13 offers on just -- because everyone wants to get a GSA
14 schedule, and they think that's a way to go. And that's
15 where you get some of the training where they say, "Hey, go
16 to teaming, go to joint ventures. You're not ready for a
17 schedule yet," but something that articulates to someone
18 clearly what the path is, and how they need to grow their
19 business to be competitive, versus how they need to grow
20 their business to get set-asides.
21 MR. VARGAS: Okay, here is the challenge, I guess.
22 If I am a small business owner -- veteran, have a small

1 veteran-owned business -- in Eugene, Oregon. And I'm not
2 really privy to this information on where to get this money,
3 how to pursue it, and how to follow or how to know about the
4 process for competing for government contracting, I look
5 around and I see a lot of veterans with varying degrees of
6 information themselves.
7 So, I go to my state director for veteran affairs.
8 And I say, "Can you help me?" If I'm in New Mexico, I'm
9 probably going to get B
10 MS. LYNCH: You're going to get top notch service
11 there.
12 MR. VARGAS: Because you've got a plan that works.
13 MS. LYNCH: Yes.
14 MR. VARGAS: But say B
15 MS. LYNCH: But if you're in Oregon, you might not
16 be getting B
17 MR. VARGAS: And I wouldn't have that. So what I -
18 - when I say "solution," I'm thinking, well, can we get NAVA
19 engaged in this process to work with us?
20 Is that an issue that -- Terry Schow, by the way B
21 MS. LYNCH: Who could really -- could be at the
22 front lines of solving the education issue are the local

1 bankers, the ones that stand to profit from doing the loan
2 packages that SBA B
3 MR. WHITE: They don't even understand B
4 MS. LYNCH: And I'm biased by this, because I -- I
5 am biased with my opinion, in the sense of my little brother
6 B
7 MR. GARCIA: You know, it makes sense, but B
8 MS. LYNCH: Let me give you my little brother's
9 story. He's a young guy. He's up and coming. He's the
10 assistant vice president of a local bank, and he is looking
11 to build his book of business. So he is aggressive in
12 understanding -- I mean he's grabbed on to the Patriot
13 Express, and is now one of the leading issuers of Patriot
14 Express loans, because he realizes it's a -- there is a huge
15 veteran population in his geography, and he goes after it.
16 So, I mean, I'm just saying if you can put some
17 public-private to it, and give the private an incentive -- I
18 mean, he makes money off of the loans that he closes. Again,
19 ideas.
20 But, Billy, my question to you is you say educate
21 the contracting officers. What do you want them to know?
22 Like, I B

1 MR. JENKINS: Okay.
2 MS. LYNCH: I'm just curious what -- things like
3 this? Like, what their B
4 MR. JENKINS: Let me -- yes. This would come,
5 eventually. Let me give you an example of something that I
6 experienced maybe about 20 years ago. I had a company call
7 me and tell me that a Navy organization in California would
8 not entertain doing an 8A contract with him because of the
9 fact that the contracting specialist felt that it will
10 illegal.
11 I called the contracting specialist and said,
12 "Well, look. Here is FAR 19 that says that you can do this."
13
14 They said, "Oh, no, we can't do that. We will have
15 our lawyers give you a call."
16 That is the same situation that we're dealing with,
17 the service-disabled veterans situation here. We have a
18 large number of brand new contracting specialists out there
19 that do not read FAR 19. As a matter of fact, I got an email
20 from a Navy specialist a couple of days ago when one of my
21 service-disabled veterans approached, and says, "Well, we
22 don't have time to read." And that was a red flag.

1 And I called him, and said, "Well, you must read
2 the FAR. You have no option other than to read the FAR."
3 And the reason that we are experiencing that is
4 because this is a brand new program. The government needs to
5 sit its contracting staff down and say, "Okay, we're putting
6 in your performance elements goals to accomplish this job.
7 And if you don't accomplish, then we will take the
8 appropriate administrative action."
9 MR. GARCIA: Billy, I wanted to ask you -- because
10 it's obvious that trying to find a solution for this thing --
11 but what are the field directors being briefed on? Are they
12 putting together any kind of strategy or proposal to do
13 things that were suggested, that Courtney suggested, and all
14 of the above?
15 If not, what can, like, myself at my state level do
16 to team up with the SBA and SBDC people? Because we just
17 hired on -- or they, the SBA is hiring on -- a procurement
18 specialist. And then there is the other entities out there
19 that are doing the contracts assistance with these companies.
20 But the lead has got to come from the SBA at the
21 local level.
22 MR. JENKINS: Correct.

1 MR. GARCIA: If it's not -- and who is training
2 them, or putting the fire on them? And if not, then what do
3 I do in my state, for example then, to build that fire on
4 those guys?
5 MR. JENKINS: Well, I'm sure you have a
6 relationship with our district director here.
7 MR. GARCIA: Right, a very good relationship.
8 MR. JENKINS: And you have -- they have in place an
9 individ7ual that not only functions as a veterans rep, but
10 the women's rep, the 8A rep, and -- you know, they're doing
11 it all.
12 MR. GARCIA: Right.
13 MR. JENKINS: And some of that is an advantage, and
14 then there are disadvantages.
15 If we could get those individuals to be advocates
16 for the service-disabled veteran, because of the fact that
17 they understand the regulations, and they're willing to make
18 calls to these procurement activities B
19 MR. GARCIA: Right.
20 MR. JENKINS: -- and say, "Well, look. Our vet has
21 identified a requirement that is suitable for the service-
22 disabled veteran community. Let's do it."

1 MR. GARCIA: And let me add to that, then.
2 MR. JENKINS: Sure.
3 MR. GARCIA: What I think is an issue.
4 MR. JENKINS: Yes.
5 MR. GARCIA: And which we presented to your
6 administrator. That is not happening. Because what you have
7 at the SBA level, the local level, they don't know the vet
8 market. They don't know even where it's at. They don't know
9 the VFWs, the American Legions, the DAVs. They don't even
10 know how to find them. They're stuck in a little environment
11 of working with Chambers of Commerce, who don't even know
12 where the vets are at.
13 And so, what we have advocated, based on what was
14 put together in this annual report, and what was suggested,
15 and I just think -- is that we've got to engage the state
16 directors of veterans affairs that we're all familiar with to
17 team with your SBA people.
18 I have gone to Phoenix, I have gone to Oregon and
19 different states and met with some these guys, there is not
20 even a care in the world about -- or a sense of urgency --
21 that we've got to find my vets. Because you know what? They
22 don't know how to find them.

1 So, what they have to do, or what my guy does, John
2 Woosley -- he's a great partner -- he comes to me and -- or I
3 go to him, saying, "I'm putting together a veterans business
4 conference," and my vets show up, because they don't know how
5 to do it, and they don't know how to track events. And to
6 me, that's a major problem. And I would guarantee you that
7 is across the board.
8 So, unless you've got something in place, Billy,
9 that's going to put a fire on your administrators or that vet
10 guy that's in the SBA, it's not going to happen. It won't
11 happen, and you're going to continue to see this kind of
12 problem.
13 So we have got to work with you to come up with a
14 strategy that will create that sense of urgency so you don't
15 have these guys not following the procurement process
16 correctly, and then being turned down.
17 Because, keep in mind, for me, to find this vet biz
18 guy who hasn't filed for service disability because he's too
19 busy working, and to get him his disability status, and then
20 he has to go through this six-month, a year to two years of
21 dealing with the VA to be turned down to get it done again,
22 and then to go to the VA or the SBA for a contract and then

1 be turned down again, it's like, you know, I am so sick of
2 dealing with government attitude, that they don't even want
3 to go after these, and they're missing tremendous
4 opportunities of wealth and growth of their company.
5 And so, it's a big chain reaction thing. And so
6 we've got to put something in place that does not even exist
7 today.
8 MR. JENKINS: Okay. John, you're right. And what
9 I've done, I've had to work around the system.
10 MR. GARCIA: Right.
11 MR. JENKINS: It's quite evident that the
12 contracting community hasn't got it yet. And I would even
13 say that our country hasn't gotten it yet B
14 MR. GARCIA: Right.
15 MR. JENKINS: -- when it comes to dealing with this
16 veteran population. What I have done is started training the
17 vets. Every vet that comes in front of me, I train them as
18 if they were a brand new contracting specialist that walked
19 into my office and would serve on my staff.
20 MR. GARCIA: Right.
21 MR. JENKINS: I tell them that you must, in your
22 engagement, as you engage the contracting officers,

1 regardless of what personality you run into, you must teach.
2 You must teach them through the FAR. When you have
3 conversation with them, you must say, "In accordance with
4 FAR, part 19-1405, that you must seek out two service-
5 disabled vets."
6 MR. GARCIA: Right.
7 MR. JENKINS: And that -- and also, I tell them
8 that, "If you notice that they did not follow FAR part 10 in
9 doing their market research, protest it."
10 MR. GARCIA: What we have, Billy, is -- and let me
11 just interrupt a second. I want to introduce Rod Salsbury.
12 He is an associate of mine who is also a good friend, a
13 service-disabled vet who lives in D.C., and I asked him to
14 come here. I'm sure you know this guy here.
15 MR. JENKINS: Yes.
16 MR. GARCIA: But B
17 MR. JENKINS: One of my students.
18 MR. GARCIA: What I wanted to say is that I think
19 part of the solution, which we've pushed in this environment,
20 is this procurement contract that's coming out. If we get
21 our guys around the country to apply, and we set this up,
22 this is that vehicle, I think, that should help you do what

1 you're doing.
2 MR. JENKINS: Yes. And as a matter of fact, John B
3 MR. GARCIA: And that shouldn't be even in this
4 thing. This is that $150,000 grant to set up veteran
5 business centers.
6 MR. JENKINS: Right.
7 MR. GARCIA: Office centers. And they've got to
8 team with the SBA, SBDC, to do what you're saying. If they
9 don't do that B
10 MR. JENKINS: Oh, they're going to.
11 MR. GARCIA: -- then you're a lone voice out there.
12 MR. JENKINS: Well, the game plan is to train the
13 new group that's coming on board, okay?
14 MR. GARCIA: Yes, because you're going to have 50
15 new players in the game.
16 MR. JENKINS: Right.
17 MR. GARCIA: And you're -- that's going to be the
18 main date, I think. And if you get state-matched money to
19 that, these guys are going to have 300K, and they've got to
20 team up with the SBDCs and SBAs. They have to.
21 MR. JENKINS: Yes.
22 MR. GARCIA: Now you can start B

1 MR. JENKINS: Yes.
2 MR. VARGAS: Well, it really goes back to -- on the
3 solution, you know. I don't want this to be a vet FAR thing,
4 dialogue.
5 MR. JENKINS: It's okay B
6 MR. VARGAS: With all due respect, the dialogue,
7 we've got to have it. But if we can attach a solution to it
8 that is realistic and achievable, then we're getting some
9 place, which is why I think Courtney's comments are so
10 important, that, you know, we need to develop a simple, basic
11 plan.
12 I think John's point is right on, that, really,
13 this is linked at the hip with this whole grant program to
14 set up VBOCs, more of them throughout the country, including
15 in Eugene, Oregon, California, you know, and other places.
16 And I guess I -- the question I have is who in SBA
17 cares about this? And who in SBA is -- now here is the
18 critical question, Billy.
19 MR. JENKINS: Yes?
20 MR. VARGAS: Who in SBA can do something about it?
21 MR. JENKINS: I'm doing something about it. Folks,
22 let me give you an example. And I wish I had brought some

1 emails up here from my trained service-disabled vets.
2 Because I'm teaching us to depend on us.
3 MR. GARCIA: Right.
4 MR. JENKINS: Okay? I'm not going to say what the
5 system is doing and not doing, but we have to depend on us.
6 MR. GARCIA: Vets taking care of vets all over
7 again.
8 MR. JENKINS: Vets taking care of vets.
9 MR. GARCIA: Right.
10 MR. JENKINS: But I've got a Marine that I taught
11 back in May what we call my flip strategy. Trained him in
12 May. He reported to me in June. He sent me an email.
13 "Bill, thanks for teaching me about the rule, and how to win
14 government contracts. And, as a result of what you taught
15 me, I have won $513,000 in new contracts."
16 After he sent out 30 other emails with attachments
17 and pdf files of the public law, the executive law 13360, and
18 it goes to the contracting officer. When they see it, and
19 it's referencing their RFP, RFQ that they've announced in the
20 pre-solicitation phase that's marked a small business
21 competition, sent out 30 of those emails to 30 buyers, and 7
22 of them came back and said, "We will switch this to a

1 service-disabled veteran requirement."
2 I got about 300 guys doing that right now, right?
3 MS. LYNCH: So, Billy, how do we take you and make
4 you scalable?
5 MR. JENKINS: Clone me.
6 MS. LYNCH: No, but I mean B
7 MR. JENKINS: I'm not serious with that.
8 MS. LYNCH: How do we quantify -- Billy, how do we
9 quantify, or how do we put together what you're teaching?
10 How do we take what you're teaching and put it into --
11 because I know it's not simple, what you're teaching.
12 MR. JENKINS: Yes, it is.
13 MS. LYNCH: But how do we get it to the masses?
14 MR. JENKINS: Okay. Well, I would love the
15 government to join me in this endeavor. However, I cannot
16 depend on the federal government to help us out right now.
17 We have to do it ourselves.
18 MS. LYNCH: I was thinking, because I mean, what I
19 do is I teach, right? I design content. Could I take Billy,
20 could I sit with Billy's brain, and design content? I mean,
21 because my company teaches remotely, we teach in person. I
22 mean, that's what I do, is I take something complex and I

1 teach it in a simple way.

2 So, could I meet with you? Could I take your brain

3 and write a guide B

4 MR. JENKINS: Yes, you can. But here B

5 MR. GARCIA: Billy, here is the thing. $8 million

6 is going out for this thing, 50 states.

7 MR. JENKINS: Yes.

8 MR. GARCIA: And all we have to do with that is

9 team up with my procurement specialist to do what you're

10 saying and what you're saying, and have you train these

11 procurement specialists to do that.

12 Because the SBA, I guarantee you, at the local

13 level is not reaching out to the vets.

14 MR. WHITE: They would, if B

15 (Several people speak simultaneously.)

16 MR. GARCIA: At the last meeting, this is what we

17 pushed at Bill Elmore.

18 MS. LYNCH: Yes.

19 MR. GARCIA: That we need to set these up across

20 the country.

21 MS. LYNCH: Sure.

22 MR. GARCIA: And so, they're kicking $8 million out

1 to set 50 of these up across the country, $150K And I told
2 Bill that if we -- "You get me this contract, we will get the
3 states to match it with $150K, put an office in and get a
4 professional guy to run these things, kind of what you're
5 doing, your state, me and us and other states are kind of
6 doing, and then bring you in and train these people."
7 MS. LYNCH: Yes.
8 MR. GARCIA: And we're supposed to team with the
9 SBA and SBDC to put a fire on them to do it. To me, that's
10 the key. That's what we have been saying we don't have.
11 Well, you all put an RFP out, it's due on Monday.
12 PARTICIPANT: The RFP is due on B
13 MR. GARCIA: On Monday.
14 MR. JENKINS: Okay.
15 MR. GARCIA: And so B
16 MS. LYNCH: So we have the methodology, now we just
17 need the foot soldiers to B
18 MR. GARCIA: That's it. So if that happens, I am
19 calling him down, he's going to come to my state, we're going
20 to team, and we're going to meet with John Woosley and Roy
21 Miller out there at the SBDCs, and we're going to make sure
22 they do what has to happen.

1 MS. LYNCH: If there is any B
2 MR. GARCIA: And you can. You can coordinate.
3 MS. LYNCH: And that's going to be tough, picking
4 his brain and making it simple.
5 (Several people speak simultaneously.)
6 MR. JENKINS: Let me address something that
7 Courtney is saying, okay? Because the minute that I go out
8 into the public, the more people that I get -- that call in
9 and want to take the class, I am inundated right now.
10 MS. LYNCH: Sure. So we don't want to B
11 MR. JENKINS: Matter of fact, I've been real low
12 key in this process.
13 MS. LYNCH: Yes, yes.
14 MR. JENKINS: But see B
15 MS. LYNCH: But your knowledge is what we want.
16 MR. JENKINS: Yes. But see, there is more that
17 comes with that. I just don't teach you this stuff, I mentor
18 you along the process.
19 MS. LYNCH: You're a coach. You're a coach.
20 MR. JENKINS: Yes. For B
21 MR. GARCIA: The SBDC, they've got the government
22 specialists.

1 MR. JENKINS: Let me put it this way. Once I teach
2 you -- and if you do well, we get along well. But if I teach
3 you, and you call me back and then you ask me a question that
4 shows me that you did not absorb that text that I gave you,
5 I'm stepping on your toes.
6 MR. GARCIA: Well, that's the way it has to be,
7 man.
8 MR. JENKINS: Okay? But those individuals that
9 sign up to me -- and I tell you, "You're going to -- we're
10 going to walk shoulder to shoulder in this process. I want
11 to know what you're doing. I want to know what you're
12 thinking, so that I can guide you through the process. And
13 if some contracting officer is telling you some off-the-wall
14 junk, then we are going to talk about that portion of FAR
15 that says that you can protest."
16 MR. GARCIA: Well, the SBDCs are creating -- aren't
17 they not? I know with my SBDCs, we insisted that we have a
18 veteran procurement technical assistance specialist.
19 MR. JENKINS: I would like to train that person.
20 MR. GARCIA: And they've given me one. They're
21 going to hire seven procurement specialists, and one is going
22 to be a veteran procurement technical specialist in my

1 office. Now, that's what you need in every 50 states B
2 MR. JENKINS: Yes.
3 MR. GARCIA: -- that's under your belt to train and
4 advise and team and make sure this -- what you're saying
5 coordinates -- all coming together.
6 MR. VARGAS: Train the trainer. Remember that
7 concept?
8 MR. GARCIA: A lot of this -- but you have
9 procurement specialists B
10 MR. JENKINS: Yes, that's one of my requirements.
11 MR. GARCIA: You have procurement specialists
12 within the SBDCs. And so we just got seven, and they're
13 giving me one -- we're going to call him the veteran
14 procurement specialist.
15 MR. JENKINS: Right. I'd like to train that
16 person.
17 MR. VARGAS: All right. Courtney has got some
18 great ideas. John is -- mentioned something here. Steve,
19 you mentioned the legislation that is working its way through
20 the House to provide more funding for these kinds of veterans
21 centers.
22 How soon can we put the basic skeleton together for

1 a national plan? It's great that we're doing it in selective
2 states. But how can we -- and we've got Ray Snyder coming in
3 here shortly. But how can we put, in the two days we're
4 here, just the basic elements of a plan to make this RFP
5 truly relevant in all 50 states? Is it doable?
6 MR. WHITE: If you had -- every SBA office in every
7 state has a veteran officer.
8 MR. JENKINS: They're performing multiple
9 functions.
10 MR. WHITE: All right. Is there a procurement --
11 does that fall under that person?
12 MR. GARCIA: No.
13 MR. JENKINS: No.
14 MR. GARCIA: No, not at all.
15 MR. JENKINS: And let me tell you, you know, where
16 they may be -- they're more with business development. See,
17 I am a procurement professional. See, I know where the
18 bodies are buried. You know, I talk to contracting folks. I
19 know when they're trying to skirt around issues. And see,
20 that's what you need to have out there.
21 MR. WHITE: I understand that.
22 MR. JENKINS: Yes B

1 MR. WHITE: But you're one person, and you're here
2 in D.C., and you're reaching out to everybody you can.
3 Within the SBA, who is in every single state, and has at
4 least some sort of a duty to support veterans issues
5 nationwide, there is nobody in each office that has anything
6 to do with procurement?
7 MR. JENKINS: They're not trained procurement
8 professionals.
9 MR. GARCIA: That's what you need. That's the
10 problem, you need B
11 MR. WHITE: If you want a recommendation --
12 MR. GARCIA: The SBDCs do, though. See, the SBDCs
13 are supposed to -- and are doing that. At least I know in my
14 state.
15 MR. JENKINS: Yes, let me tell you what you -- yes.
16 Let me tell you B
17 MR. GARCIA: They must be a B
18 MR. JENKINS: Let me tell you what I have noticed
19 in some of the SBDCs. You might have a procurement person in
20 there, but if they never dealt with FAR part 15, they can't
21 give me any B
22 MR. WHITE: They also can't be consistent.

1 PARTICIPANT: Yes, because they haven't had that
2 same training.
3 MR. GARCIA: You're right.
4 MR. JENKINS: So do you B
5 MR. WHITE: So whether it's SBA or whether it's a
6 small business development center, why don't we get, you
7 know, through Courtney, through here, through whatever, you
8 could be on that screen up there, or coming through your
9 computer, do an ongoing training program that would reach out
10 to key people that are assigned to be able to know what
11 they're doing. And that comes down from the administrator.
12 MR. GARCIA: Exactly.
13 MR. WHITE: Nothing happens in an SBA office unless
14 somebody is over your head saying, "You do this, and we're
15 going to check it, and if you don't do this, you know, you're
16 not going to get your little dealie." It's whatever it is.
17 I mean what I remember when I was in the SBA -- I
18 was running around. You know, if they weren't checking their
19 vacation schedule, they were worrying about if they checked
20 off their little list. So B
21 MR. JENKINS: We have the solution for that,
22 actually. We built a solution that has webinars. It also

1 has virtual white boards. So someone like Billy gives a
2 presentation, what have you. That's video on demand. And
3 you can also team all your business guys together, and they
4 can have that class, that webinar, that class, and they can
5 also collaborate with one another through IM chatting, and
6 things of that nature.
7 Big businesses use this. Cisco uses this. IBM
8 uses this B
9 MS. LYNCH: Cisco B
10 MR. JENKINS: And so that's what we built. I'm an
11 ex-Cisco guy. And I saw two years ago exactly what you guys
12 needed. It's just that to put it in terms of -- I come from
13 the enterprise side. And getting into the federal side and
14 trying to make that connection, like I just made a connection
15 with John last July B
16 (Laughter.)
17 MR. GARCIA: The light bulb finally went off.
18 MR. JENKINS: Right. I've been talking to John for
19 two years about it, but I was talking in enterprise terms.
20 MR. GARCIA: Yes.
21 MR. JENKINS: And I think when coming from -- a lot
22 of us come from the enterprise side. We still have those

1 terms, those terminologies, and it hasn't quite translated
2 into the federal side.
3 MS. LYNCH: Sure, it's the value proposition.
4 MR. JENKINS: Absolutely.
5 MS. LYNCH: And, I mean, that's B
6 MR. GARCIA: A statement he said earlier is vets
7 taking care of vets.
8 MR. JENKINS: We must B
9 MR. GARCIA: They have to bring vets into
10 the B
11 MR. JENKINS: Right.
12 MR. GARCIA: -- equation here, so we can take care
13 of vets.
14 MR. JENKINS: Right.
15 MS. LYNCH: Sure.
16 MR. GARCIA: But present it to the SBA, the VA,
17 Department of Commerce, to allow us to create this thing that
18 we need to do. Otherwise, if we sat back, it ain't going to
19 happen, man.
20 MR. JENKINS: Right. That's right. If we sit back
21 B
22 MR. GARCIA: Right.

1 MR. JENKINS: -- it is not going to happen.
2 MR. GARCIA: But we need those in positions to help
3 us get to that main -- say, "Let's do it."
4 MR. JENKINS: And let me tell you another trend
5 that's going on here, okay, because -- Courtney, you
6 mentioned GSA, right?
7 MS. LYNCH: Mm-hmm.
8 MR. JENKINS: See, GSA is doing something that, as
9 an old-timer, we're not in agreement with. Because GSA is
10 putting out all these GSA contracts, and then they're telling
11 the agency, contracting types of agencies, "Well, use our
12 vehicles. It's easy."
13 Well, you know what? It's a certain time frame
14 that you must be in business in order to get GSA's schedule.
15 MS. LYNCH: Yes.
16 MR. JENKINS: That is not going to help our
17 emerging service-disabled veteran companies.
18 MS. LYNCH: Three years.
19 MR. GARCIA: That's right.
20 MS. LYNCH: Three years, plus you have B
21 MR. JENKINS: So the B
22 MS. LYNCH: Yes.

1 MR. JENKINS: So the agencies that are using a GSA
2 schedule, they forgot how to do RFPs and RFQs.
3 MS. LYNCH: Well, what the GSA schedule has become
4 is just a big credit check. It's really not -- people aren't
5 really -- I mean for the smaller-based businesses B
6 MR. JENKINS: Right.
7 MS. LYNCH: -- it's a credit check.
8 MR. JENKINS: So, basically, we have to get back to
9 the basics to teach the contracting specialists to put those
10 RFPs and RFQs out there in fed biz ops, so our emerging
11 companies will have an opportunity to go after these
12 requirements.
13 The other thing is that -- and I would recommend --
14 I know I would get pushback from some organizations within
15 this SBA -- is to have those agencies to really start
16 restricting procurements under $100,000 for service-disabled
17 vets. Because if you call some folks within a particular
18 organization, they will tell you, "Well, we're not going to
19 really push the agencies to restrict those procurements under
20 $100,000," and they've got a good reason: because there are
21 so many others out there, thousands and thousands of
22 requirements under $100,000.

1 But that is where our companies get their
2 opportunities. It's those requirements, $100,000 and up.
3 And then you have to be careful there because, as a
4 contracting officer, I awarded a $100,000 delivery order to a
5 company and put them out of business.
6 MR. GARCIA: Yes.
7 MR. JENKINS: I wanted them to be ready, but
8 they're not ready.
9 MR. GARCIA: And they're not even ready to hear you
10 say they're not ready.
11 MR. JENKINS: Well, I make it a point to tell -- in
12 a lot of my speaking engagements, I will tell the audience,
13 "There are those of you in here don't have it approved, and
14 you're not ready, and you won't be ready until you take my
15 class."
16 And, by the way guys, I would not expect anybody in
17 here to be a believer until I showed it to you. But what I'm
18 going to do is go downstairs and print out some of my emails.
19 I even got an email this morning from a happy vet that fit
20 the requirement.
21 MS. LYNCH: He did the flip strategy, the Billy
22 Jenkins flip strategy? I have no doubts that your service is

1 so valuable. But I am saying even though you can't take your
2 personality and put it to every vet that needs assistance,
3 you can take your knowledge and put it in a way that can help
4 vets far beyond the 300 that you have the bandwidth to help,
5 which is a phenomenal bandwidth.
6 MR. JENKINS: And you B
7 MS. LYNCH: So I'm saying let's make you scalable.
8 MR. JENKINS: I hear you talking about that. And
9 you're right about the personality. I'm not sure the
10 bureaucrat B
11 MS. LYNCH: -- can handle it.
12 MR. JENKINS: I am going to B
13 MS. LYNCH: That's why you give the tools B
14 MR. JENKINS: In my presentation, not only am I
15 going to give you the knowledge, but I'm going to give you
16 the hope.
17 MR. GARCIA: So, are you working, for example, with
18 the other federal agencies that have procurement specialists,
19 or just within the SBA?
20 MR. JENKINS: I do have some contracting officers
21 that are veterans or military, and they have joined up with
22 me. Right? But that's far and in between.

1 MR. GARCIA: Okay. I'm just thinking labs or
2 Kirtland Air Force Base, other agencies, federal agencies
3 that have procurement specialists that are supposed to meet
4 this three percent mandate. Are you working at that level,
5 or just within the SBA?
6 MR. JENKINS: I'm going to tell you. My veterans
7 are the ones that are telling me who my friendlies are out
8 there.
9 MR. GARCIA: Okay.
10 MR. JENKINS: Because in my process, I have two
11 veterans that will send this email out to a contracting
12 officer. If we get positive feedback, then you best believe
13 I'm pulling that contracting officer -- I did that this
14 morning.
15 MR. GARCIA: Okay, just let me ask one more
16 question.
17 MR. JENKINS: Yes.
18 MR. GARCIA: The Center for Veteran Enterprise.
19 Are they effective with you, or not, or you don't want to
20 say?
21 MR. JENKINS: I don't want to say.
22 MR. GARCIA: All right.

1 MR. VARGAS: But let's hold it at this particular
2 point. Because, really, I want to give Dick Snyder, deputy
3 associate administrator here for veterans business
4 development, an opportunity to engage in some very important
5 themes.
6 I want to just say that I think we're on to
7 something here which might lead to a solution, an achievable.
8 And I would like to ask Jeff if he would consider taking on,
9 as kind of a little project coordinator, this idea of putting
10 some of these elements together. John has got some excellent
11 insights, as do you, Courtney. Everyone around this table B
12 MS. LYNCH: But I will be the trusty foot soldier
13 for whoever takes it on.
14 MR. VARGAS: Yes.
15 MS. LYNCH: I've got a lot of good ideas.
16 MR. VARGAS: Absolutely. And if we could, for
17 tomorrow, as an achievable, lay out an outline of what it is
18 we want to work on to get to this -- using perhaps this RFP,
19 John, as a vehicle, as a mechanism to get us to where we want
20 to on this topic. With that B
21 MR. JENKINS: Felix, can I say this before you turn
22 it over? I want you guys to keep something in mind. And I'm

1 not really going anywhere yet. But I've got 37 years
2 government service, so the time is short.
3 MS. LYNCH: I work fast.
4 MR. JENKINS: Let me go and get some emails so I
5 can show you guys, you know. Because I think I've got
6 something going here. Okay? I'll be right back.
7 MS. LYNCH: I don't doubt that you've got something
8 going.
9 MR. GARCIA: All right. But one quick thing is
10 that I'm just kind of curious. Because the last couple of
11 meetings we've been at and talking with Bill, we talked about
12 this RFP. And I'm just surprised that one of you have seen
13 this RFP come out. I would have thought that somebody at the
14 SBA would have sent each of us a notice that this RFP is
15 coming out. Because this came out as a result of the
16 discussions we were having. We just got it now.
17 MR. VARGAS: And what RFP are you referring to?
18 MR. GARCIA: This one that's veteran business
19 outreach center program, $150K. And this committee -- I
20 mean, I got it, but no one else had even seen it here.
21 MR. SNYDER: I can't offer any plausible excuse for
22 it, other than it was -- you probably -- you should have been

1 safe, forewarned on it, I guess.
2 In the -- in, I guess, the -- all of the activity
3 that has kind of transpired in the budget cycle, we didn't
4 know, as an excuse, what -- the extent of the money we were
5 going to get this year. We didn't know until we saw the
6 omnibus bill. Had we -- we were under the impression that we
7 might get some.
8 But the way it's been in the last couple of years,
9 you just wait until you see it, or the money hits your
10 account. And then there was a flurry of activity to get the
11 announcement out there, and move forward with it.
12 And it went into grants.gov, and I guess that's
13 where the presumption is, that all interested parties would
14 look on to -- I mean, in other words, there is a group of
15 individuals out there in the small business, in the
16 counseling and training world, in the veterans world, that --
17 I mean they're just constantly monitoring, you know, new
18 opportunities that present themselves, whether it's a
19 contract, whether it's a grant cooperative agreement.
20 And so, that's just -- that's a mistake on our
21 part, for not giving you a heads up.
22 MS. SIMMS: Excuse me. I believe that's on our

1 website. I am going to go down and check it, because B
2 MR. GARCIA: No, it is on your website.
3 MS. SIMMS: Yes.
4 MR. GARCIA: But again, no, my point is we had
5 numerous discussions with Bill. We had a heads up this was
6 coming down. But I was just curious as to, like, this
7 committee didn't get a heads up that it was being let out.
8 MS. SIMMS: Okay.
9 MR. GARCIA: Now, what I do know is that, you know,
10 other groups are going to be applying for it. And all states
11 will get a grant to set up a veteran business outreach
12 center, see?
13 MS. SIMMS: Okay.
14 MR. GARCIA: So those of you B
15 MR. WHITE: This one is only for 12.
16 MR. JENKINS: Yes, that one is for 12 B
17 MR. WHITE: There is only 12 centers in this thing.
18 MR. GARCIA: Yes, but I think you all want to set
19 up -- there is going to be more than 12, is what I
20 understand.
21 MR. VARGAS: Which is it, Dick? Can you give us
22 just a little bit of information as to B

1 MR. SNYDER: Let me give you the bureaucratic
2 doublespeak. Internally, we would -- we want more than -- we
3 obviously wanted more than the 8, we wanted more than the 12.
4
5 And exactly what that correct number is, whether
6 it's one in every state, whether it's, let's just say, 26 but
7 you're serving a geographic area that is -- and you're being
8 responsible to the veteran entrepreneurs in your area -- I
9 mean do you need one in every state? There is a part of me
10 that says no, you may not need it.
11 Let me just, for whatever reason, pick the Dakotas,
12 North and South Dakota. Veteran entrepreneurship in that
13 area is at the same as it is in, say, Florida, Texas,
14 Virginia? I don't think it is. So, maybe you could have one
15 that serves the Dakotas, for example.
16 I am not -- Bill and I have had numerous
17 discussions on this as to what the right number is. And I
18 think if there is -- if we are able to proceed with
19 reasonable growth in these centers, and not say -- I mean,
20 first of all, if we got -- if this year we were to pick on --
21 to take on an additional, say, 25, staff-wise we don't have
22 the staff to handle it.

1 MR. MILLER: How many is in this initial B
2 MR. VARGAS: Said 12. They broke it up in several
3 regions.
4 MR. MILLER: And so $8 million for 12, is that what
5 you're saying?
6 MR. SNYDER: No, there is not -- the amount of
7 money B
8 MR. GARCIA: It's $150,000 B
9 MR. SNYDER: It's $2.5 million, is the total.
10 MR. WHITE: Does this have any bearing on the
11 legislation that got passed by the House? I was looking --
12 MR. SNYDER: 110-186?
13 MR. WHITE: 1803, House bill 1803, to create more
14 veteran business centers.
15 MR. SNYDER: No, this is public law 110-186.
16 MR. WHITE: All right. So what does this have to
17 do with it? That bill where they passed the House and it's
18 now under consideration, supposedly, and the committee, on to
19 the Senate, to create veteran business centers across the
20 country.
21 MR. SNYDER: That, then, could result in a much
22 wider expansion of the centers.

1 MR. WHITE: So it has nothing to do with this.
2 MR. SNYDER: Well, it has something to do with it,
3 in the sense -- well, there is two things. Number one, what
4 we're dealing with is a result of public law 110-186, which
5 called for an expansion of the veteran business outreach
6 centers in -- it was supposed to be in fiscal year 2008,
7 fiscal year 2009, and thereafter as funding and the
8 administration deemed appropriate. So, that's one thing.
9 Now, the bill that you're referring to, while there
10 are changes structurally in -- that will be proposed and
11 maybe ultimately implemented, once a law is actually enacted,
12 that would really be an extension or an expansion of whatever
13 number we end up with. Let's just say we end up with 15 or
14 16 here in the next couple of months. Anything that follows
15 on to that would be an expansion of that. That is our
16 interpretation.
17 MR. WHITE: But still -- you're talking about the
18 money would still get funneled through the SBA to manage the
19 resources, though.
20 MR. SNYDER: Yes, yes, yes.
21 MR. WHITE: Thank you.
22 MR. MILLER: How many current centers do we have

1 right now that are operating?
2 MR. WHITE: Eight.
3 MR. MILLER: Eight? And is there someone that we
4 can contact that can put us in touch with one or more of
5 these eight, where we could try and not reinvent the wheel?
6 MR. SNYDER: Yes, we have -- her name is Ramona
7 Payton. I mean she is the staffer that works for us -- for
8 example, they will -- she would be -- once they go through
9 grants.gov and there is preliminary review, and they knock
10 out the ones that are ineligible -- let's just say if it's a
11 foreign entity or a for-profit company B
12 MR. MILLER: This RFP here will go out Monday, you
13 say?
14 MR. VARGAS: No, the deadline is Monday.
15 MR. SNYDER: It closes Monday.
16 MR. GARCIA: It's supposed to be effective April,
17 but it closes Monday.
18 MR. VARGAS: So, in other words, if an organization
19 wants to put in for this grant, they've got until Monday to
20 get a proposal in?
21 MR. SNYDER: Yes.
22 MR. MILLER: When did this go out?

1 MR. GARCIA: It went out several -- yes, February.
2 And we found it because we checked the sites out, and that's
3 how we pulled it down.
4 MR. WHITE: You've got a lot of homework to do,
5 sir.
6 PARTICIPANT: Well, it can't be done.
7 MR. GARCIA: But you already have a program.
8 MR. VARGAS: A question I would have, Ron and --
9 these 12 that would be funded at $150K per, would this be 12
10 above the existing 8 VBOCs we have?
11 MR. SNYDER: No, no, no. It would be -- it will be
12 seven or eight above, depending -- I mean two things are
13 going to be dependent. Number one, the pool of applicants.
14 Now, in the past, we have always received more applicants
15 than -- when available.
16 And one of the other things that is included in
17 there is that of that $2.5 million, it's not our intent that
18 you will have -- that it will just go to fund a new VBOC --
19 just new VBOC. We are planning on holding maybe $250,000 or
20 $200,000 back, where -- let's just say that you're an
21 operating VBOC. And then we identify something else that we
22 want done, a unique study that is not -- that was not

1 contemplated in that RFP.

2 Then what we would do is have an internal

3 competition among those 15, 16, 12, whatever it is, to fund

4 an additional maybe $50,000, $75,000, $100,000 special

5 initiative.

6 MR. WHITE: Now, there was recently $1 million

7 through the -- 10 grants of $100,000 each to small business

8 development centers that had a special veterans program.

9 MR. SNYDER: Right.

10 MR. WHITE: That was unique to the existing -- it

11 was already something that was out there for them.

12 MR. SNYDER: Again B

13 MR. WHITE: Was that a one-time shot? Or where did

14 the money come from, I should say.

15 MR. SNYDER: Where the money came from was from the

16 SBDC program.

17 MR. MILLER: The national SBDC?

18 MR. SNYDER: Right. And it was -- again, that

19 initiative was pursuant to public law 110-186, where there

20 was a special or separate SBDC component veteran-focused

21 initiative that was included in there. So B

22 MR. WHITE: -- allocated more money B

1 MR. SNYDER: Last year B
2 MR. WHITE: -- business development centers?
3 MR. SNYDER: One more thing. Last year there were
4 five.
5 MR. WHITE: Right.
6 MR. SNYDER: Now they came back. And what they're
7 going to do is -- there are going to be 10. There is not
8 going to be 10 plus 5. What they're envisioning is those 5
9 will be continued, and then there will be a new 5, for a
10 total of 10.
11 MR. MILLER: When do you know on the current five?
12 MR. SNYDER: We're not involved in that.
13 MR. MILLER: No, I mean did the SBDC here tell you
14 all when to expect the B
15 MR. SNYDER: I don't know if they -- my
16 understanding is they got a lot of response from that, and I
17 don't know if they've made those awards. I can find out.
18 MR. MILLER: Is Mr. Doss coming down with Ms.
19 Schick today? Can you ask if Antonio Doss can come down with
20 -- tomorrow, I mean.
21 MR. SNYDER: Tomorrow? I'll follow B
22 MR. MILLER: She's scheduled here for 2:30.

1 MR. SNYDER: Yes.
2 MR. WHITE: Isn't that through your office?
3 MR. SNYDER: No, no, no B
4 MR. MILLER: It's totally separate.
5 MR. SNYDER: This is through the SBDC program.
6 MR. WHITE: Which is -- falls underneath the SBA,
7 yes? No?
8 MR. MILLER: Oh, no. I thought you said under his
9 office.
10 MR. WHITE: No, underneath the SBA.
11 MR. MILLER: Oh, yes.
12 MR. SNYDER: Yes, I'm sorry. Yes, they're funded
13 through B
14 MR. VARGAS: Right.
15 MR. WHITE: The money comes through the SBA.
16 Antonio Doss manages this program, so that there was another
17 $1 million put in the pot for veteran programs. Now we have
18 another piece that's going to veteran business outreach
19 centers, right?
20 MR. SNYDER: Yes. You have two separate B
21 MR. WHITE: Would it not have made more sense to
22 have it combined, and do more? I mean the veterans business

1 outreach centers are -- I mean that's what -- they should be
2 doing that, anyway.
3 MR. SNYDER: With all due respect, you're asking
4 the wrong person that.
5 MR. WHITE: All right. Never mind.
6 MR. SNYDER: No, I understand what you're saying,
7 yes.
8 MR. VARGAS: Well, who is the right person to ask B
9 MR. WHITE: I mean the SBA B
10 MR. SNYDER: But this -- again, that funding, that
11 initiative, that was pursuant to the public law. I mean
12 that's the way the public law was passed, was enacted.
13 I mean -- and in there you have a veterans outreach
14 component in the SBDC. And at the same time, you're telling
15 another office within SBA -- the office of veterans business
16 development -- to expand your VBOCs.
17 MR. MILLER: Two separate efforts.
18 MR. SNYDER: Yes.
19 MR. MILLER: Two separate offices.
20 MR. GARCIA: Within the same B
21 MR. SNYDER: Right.
22 MR. WHITE: And are these the same bill?

1 MR. SNYDER: It's in the same bill, just a
2 different section. If you've not seen it, I will bring you a
3 copy down after lunch.
4 But again, in my opinion, it would make sense that
5 you, you know, direct your funds -- but why Congress wanted
6 to do that, I don't know. I wasn't privy to that.
7 So, just like what we do, you're given a bill --
8 and we've been struggling and working through implementations
9 of these various sections, of which all are not -- all have
10 not been implemented yet. We still have a study that -- I am
11 99 percent sure that we're going to receive the funding here
12 in the next week or so to do that independent study, and that
13 independent study talks about the adequacy of the number of
14 VBOCs, and the gaps within VBOCs.
15 And hopefully there will be an independent
16 recommendation that comes forward that acknowledges what we
17 need. Maybe this will address the issue that Felix and John
18 just touched on, as to do we need 50, do we need 150, do we
19 need 150, do we need 25?
20 MR. VARGAS: Let me ask you. First, let me -- does
21 the office of veterans business development have the lead on
22 this? Or is it another office?

1 MR. SNYDER: On which?
2 MR. VARGAS: The RFP.
3 MR. SNYDER: Oh, the RFP. We have the lead on it.
4
5 MR. VARGAS: Oh.
6 MR. SNYDER: That's our responsibility.
7 MR. VARGAS: All right, all right. Okay. Given
8 the way this has been not publicized well, would it make
9 sense to consider extending the deadline for the B
10 MR. SNYDER: You know, someone asked that question
11 to Ramona the other day. And the answer is it will not be
12 extended.
13 MR. VARGAS: Okay, which is separate from the
14 question, "Can it be?" Because we all know that RFPs can be
15 modified, amended, including due dates. Now, you're not
16 doing B
17 MR. SNYDER: I would just -- I would follow up with
18 a statement to say if we did not get a reasonable response to
19 those RFPs, or to that RFP, that -- let's just say that we
20 only received five. Then my recommendation then would be to
21 extend it, much the same way you do in a job application.
22 MR. MILLER: Extend the dates?

1 MR. SNYDER: Yes, yes B
2 (Several people speak simultaneously.)
3 MR. MILLER: Did each state get that, and each
4 regional office of the SBA?
5 MR. SNYDER: It wasn't distributed -- it was not
6 disseminated that way. It was put B
7 MR. MILLER: So there may be some leftover grants
8 out of that. Because we didn't know it, so B
9 MR. GARCIA: Yes, but see, your SBDC may know it,
10 and your SBDC may be going after it, also.
11 MR. MILLER: Well, that's -- but there are separate
12 grants. SBDCs are B
13 MR. GARCIA: No, but B
14 MR. SNYDER: SBDCs go after this.
15 MR. GARCIA: They go after that. Your 8A
16 association could go after it. Your Chamber of Commerce
17 could go after it if they've gone online and found it.
18 MR. SNYDER: Yes.
19 MR. GARCIA: That's how we saw it.
20 MR. MILLER: Okay, that B
21 MR. GARCIA: See?
22 MR. WHITE: So SBDCs can apply for that?

1 MR. SNYDER: Yes.
2 PARTICIPANT: Anybody can.
3 MR. SNYDER: Anybody can. It was open.
4 MR. MILLER: But the five current had an option to
5 roll theirs over, right? The SBDC grants?
6 MR. SNYDER: Wait a minute, no. We're talking
7 about two different things B
8 MR. MILLER: No, I know that. But the five that
9 are currently operating, they had an opportunity to ask for a
10 rollover on theirs, right?
11 MR. SNYDER: Well, they didn't ask for it; they had
12 to reapply. The five existing under the SBDC award, they had
13 to reapply.
14 MR. MILLER: Yes, which I -- yes. Well, I know
15 ours did, so B
16 MR. SNYDER: Much the same way that when Congress
17 provided the additional money for the three centers that were
18 originally funded through the Veterans Corporation, those
19 were only one year.
20 MR. MILLER: Right.
21 MR. SNYDER: And what we did was recognize the
22 intent of Congress. But now, in this mix of that RFP, if one

1 of those three wants to continue as a VBOC, it has to be B
2 PARTICIPANT: Separate.
3 MR. SNYDER: -- to file again, be considered, be
4 evaluated, and be selected.
5 PARTICIPANT: Yes.
6 MR. SNYDER: Just like if you wanted to file for B
7 MR. MILLER: I know they don't belong to you, but
8 did I hear you say a while ago that you think that these
9 current five SBDCs will be rolled over in a month or two? Or
10 what did you say, a couple of weeks?
11 MR. SNYDER: I'm not sure what their timing is on
12 the selection.
13 MR. MILLER: We'll ask Doss B
14 MR. GARCIA: Raymond? One thing I just wanted to
15 also mention is that when the administrator was here a couple
16 of meetings ago, and we were talking about outreach efforts,
17 and how to effectively find the veterans, it was concluded
18 and brought up, anyway -- correct me if I'm wrong, Felix --
19 that the state directors of veterans affairs, the state
20 offices that deal with veterans, was a very effective tool to
21 be used, which -- at that time, she was like, "Well, why are
22 we not using them?"

1 Is there going to be any grant money going directly
2 to the states to apply to do outreach? Either the office of
3 economic development or the Secretary of Veterans Affairs can
4 apply for those funding to do that veteran business
5 development outreach.
6 MR. SNYDER: At the moment I know of no B
7 MR. GARCIA: Because she had stated, "Let's work
8 with the states." And that's why I'm wondering, why haven't
9 we even done anything yet? The only thing I found is this
10 grant that I'm going after, that --
11 MR. VARGAS: The administrator said that, and then
12 B
13 MR. GARCIA: Bill Elmore and B
14 MR. VARGAS: A woman named Penny?
15 MR. SNYDER: Penny Pickett, yes.
16 MR. VARGAS: Yes, she said, "This makes
17 sense" --
18 MR. SNYDER: She is the associate administrator of
19 entrepreneurial development, which is over the SBDC program.
20 MR. GARCIA: Right, okay.
21 MR. VARGAS: Well, she said, "This makes sense, to
22 work with the states in this regard, and we will get back to

1 you on this."

2 MR. GARCIA: And so, I'm seeing grants going out,

3 but I'm still -- we're missing the boat. We've just heard

4 from --

5 MR. SNYDER: John, you understand that these are

6 not -- these are competitive grants.

7 MR. GARCIA: No, I understand that.

8 MR. SNYDER: So any statement the director B

9 MR. GARCIA: I understand that.

10 MR. SNYDER: So -- and for example, let's just say

11 that the State of New Mexico were to win -- were to be

12 selected as a -- as one of the new grant recipients. One of

13 the things that we might then consider under that special

14 initiative that I refer to -- and I think -- I know it's in

15 the RFP.

16 MR. GARCIA: Yes.

17 MR. SNYDER: That could be that, as to identifying

18 ways to enhance the operation and activities of the State

19 Association of Veterans Affairs.

20 And, you know, one of the things -- I think you

21 were -- I'm pretty sure you were at that meeting where Steve

22 Preston spoke.

1 MR. GARCIA: Right.
2 MR. SNYDER: And since that time, one of the things
3 that Bill and I have gone back and forth on, you're trying to
4 identify, you know, the number of veteran business owners,
5 you're trying -- I mean this database, we have all kinds of
6 ways, whether it's with CDE, and you have to be registered in
7 -- with the VA to do business with them, so you have a
8 database here, a database there. But yet there is not one B
9 MR. GARCIA: Right.
10 MR. SNYDER: -- one consolidated or one -- and,
11 granted, it's like -- it's fluid, it's going to change. But
12 it's like -- to me, that is the epitome of a grass roots
13 initiative for veterans, and veterans' entrepreneurship. And
14 why not use it?
15 And we should be. It's a matter of figuring out
16 how to do it with the additional operating money that,
17 hopefully, we will get this year. Maybe we can pursue
18 something like that.
19 MR. GARCIA: Okay.
20 MR. SNYDER: And, you know, this is a pretty good
21 segue into -- and we can get back on this. But what I wanted
22 to talk to you about was, you know, just some focusing for

1 the committee. And this afternoon I was going to talk about
2 some budget things. But the fact that this is going this
3 way, it's -- that's fine.
4 But one of the things, for example -- we look at
5 the committee's report every year. And I -- and the one
6 thing that Bill and I don't want to do is dictate as to the
7 things that you want to -- you think you should do.
8 But I have been in my position now five years. And
9 I think every committee that I have been involved with, there
10 are two things that they -- as you see the report, it's a bit
11 of a reiteration of -- or a different twist -- on something
12 that a previous committee has contained in their report. And
13 that's procurement, and it's access to capital.
14 Now, I'm not -- I don't mean to dismiss it, because
15 many service-disabled and veteran-owned businesses, I mean,
16 you know, government procurement is a real issue, a real
17 concern. It's a hot button, whatever, you know, buzz words
18 you want to attach to it.
19 Obviously, access to capital, we know the
20 importance of that. So, having said that, I am not saying
21 that, moving forward, you push that aside, you don't concern
22 yourself with it. But maybe this -- maybe something -- a

1 project, an initiative for 2010, a focus, could be a way for
2 this committee to identify ways that we could better leverage
3 the resources and knowledge and everything that is possessed
4 by these state departments of veterans affairs. I am just
5 throwing that out there B
6 MR. GARCIA: Yes, right.
7 MR. VARGAS: Well, that's what -- comments anyone
8 might have? I've got a couple.
9 Well, Jathan, welcome.
10 PARTICIPANT: Just waving?
11 MR. CHICOINE: No, I'm just glad to be here.
12 MR. VARGAS: Steve, what do you think?
13 MR. WHITE: The -- you're talking about those --
14 you know, holding back a couple of hundred grand on one of
15 these things for special deals.
16 MR. SNYDER: Yes, yes.
17 MR. WHITE: It seems like -- I don't know if that's
18 what you were talking about, but it would seem like an
19 absolute natural to then tie in taking some of that money to
20 do a study on how do you get the state vet affairs guys tied
21 into this thing, because they're not all like John.
22 MR. SNYDER: Right.

1 MR. WHITE: I mean every state is different,
2 including every SBA office is different.
3 MR. SNYDER: Yes.
4 MR. WHITE: So the consistency of services is
5 dramatically different, wherever you go. I don't quite
6 understand why that is, but you're talking about trying to
7 provide training to veterans, and our own -- and the people
8 who are supposed to be providing the training aren't even
9 trained.
10 So, that would be an issue that I would be looking
11 at. And maybe part of this funding should be there. You
12 don't always have a guy like John in a state office.
13 MR. SNYDER: Right.
14 MR. WHITE: Why not? Because they're, you know,
15 somebody who doesn't care. There is not an emphasis put on
16 it.
17 Somebody in the SBA offices -- I mean I was running
18 an entrepreneurial program in Manhattan, and the guy in the
19 New York City regional office -- right? Manhattan? SBA
20 office?
21 PARTICIPANT: I've been there.
22 MR. WHITE: It was lip service for veterans. I

1 went over there, did everything I could to get them involved.
2 They never referred one person to the workshop we had, which
3 was far better than any workshops they offered. Not once.
4 We asked them to come.
5 Anyway, I'm just saying that the service is totally
6 -- you go to New Hampshire, like I'd be there in a second.
7 MR. SNYDER: Well, and conversely, if you go a
8 little further north, into Elmira, New York, the veteran
9 business development officer in that office, he's all over
10 the State of New York.
11 MR. WHITE: Well, there's my perfect example. So
12 here we are, talking about maybe this -- how do we get that
13 consistent approach, so that a person who is looking for
14 training in procurement gets the same training that Billy can
15 provide here in Elmira or in Manhattan or in Fort Meyers,
16 Florida? Why shouldn't they get the same?
17 MR. SNYDER: They should.
18 MR. WHITE: So at least -- I mean, and as far as I
19 can tell, we don't have any documentation on what this is
20 supposed to be able to do.
21 MS. LYNCH: It seems like the gap that we can fill
22 as a committee is maybe the knowledge transfer gap. I mean

1 from state agency to state agency, or subject matter expert
2 to veteran in need.
3 I mean, that just seems like an area where -- I
4 mean, again, obviously there could be political implications
5 to any action I take. But, I mean, who can't get on board
6 with the knowledge transfer bandwagon?
7 MR. SNYDER: You know, yesterday I responded to an
8 email from a service-disabled vet. He said he found my name
9 by going through the yellow book. And he said, "I don't know
10 if I've got the right person or not, but here is my
11 question." And he -- it was about a three-paragraph email.
12 And at the end, he was talking about the fact that
13 he had won some contracts, and -- a lot of security, he has
14 to have a top secret clearance. But he said, "No one has
15 been able to tell me, as a service-disabled vet, how much of
16 a contract, what percentage, I need to perform. I have heard
17 51 percent. Could you answer the question, or could you
18 direct me?"
19 I mean, to me, that's -- to Billy and -- it's
20 Contracting 101.
21 MS. LYNCH: Yes.
22 MR. SNYDER: But he didn't know it.

1 MS. LYNCH: And that's what -- I go back to the
2 original comment I made when you weren't in the room. It's
3 just people need the simplest steps. I mean intelligent
4 people jumping into the game still have some elementary
5 learning to do.
6 And there is so many -- I mean I'm an enterprise
7 person myself, and there are so many private sector tools out
8 there to teach and educate and to take Billy's personality
9 and bottle it. And, I mean, again, we can't have Billy
10 personally mentoring and coaching. I don't have a magic wand
11 solution for that. But there are so many ways to create
12 simple development solutions that actually work, and bring
13 personality to it, and engage the person. Not a FAR. You
14 throw the FAR at someone B
15 MR. SNYDER: And it puts you to sleep.
16 MS. LYNCH: Yes, they won't even know -- I mean you
17 don't -- I went to law school, and I still -- the FAR is
18 Greek to me.
19 MR. VARGAS: Yes.
20 MS. LYNCH: I didn't do so well in the class, but B
21 MR. SNYDER: Charles would agree with you.
22 MR. LINSCOTT: Have you -- has OMB -- I guess in

1 the grant proposal it has a set of qualification standards.
2 But taking it to that next -- all the grants are approved for
3 the additional 12. Have you already written out what the
4 standards of service, expectations of service for the
5 awardees or all of the -- what are we calling them, SB B
6 MR. SNYDER: For the VBOCs?
7 MR. LINSCOTT: Yes, the VBOCs.
8 MR. SNYDER: Yes. There is a standard of service.
9 And, in fact, last year we visited four or five of the
10 eight. And when I say "visited," went out and did a -- just
11 a review of activities, what they were -- and as an aside to
12 that, I will bring back with me this afternoon a -- it's a
13 multi-fiscal year accounting of the activities of all -- of
14 the SBDCs, of SCORE, of the VBOCs, and the number of veterans
15 that they are reaching.
16 And when you look at it, the numbers, they speak
17 for themselves. I mean so far as the work that they are
18 doing. Even relative to what the Agency -- just like in the
19 loan program, which I worked in for about 12 years, you hear
20 the 7A program referred to as the flagship loan program in
21 the Agency. Well, when it comes to counseling and training,
22 the SBDC program is considered the flagship program for

1 counseling and training in the Agency.
2 MR. LINSCOTT: Okay. So we have the set of
3 services, or the standards of service. You've got that set.
4 MR. SNYDER: Right.
5 MR. LINSCOTT: Within those is the standards of the
6 training products that they must carry. Every -- or I get
7 the acronym sort of mixed up, but in the new VBOCs or the
8 states, you have a laundry list of training products that
9 they must have readily available, staffed and ready to
10 present.
11 MR. SNYDER: Well, the B
12 MR. LINSCOTT: -- walked into the one in
13 Whoeversville, and said, "I want to know about this," they've
14 got a training product there on the shelf, ready. Is there a
15 standard of that that's B
16 MR. SNYDER: I don't know the precise answer to
17 that question.
18 MR. LINSCOTT: Well, it's a brainstorm. I'm just
19 trying to B
20 MR. SNYDER: But I -- no. But what I do believe, I
21 know that they have a basic took kit, if you will, which we
22 have provided, you know, to them.

1 However, we give them the latitude to develop their
2 own curriculum, if you will, to address their community.
3 MR. LINSCOTT: That's fine. And where do we find
4 the -- how do we put more products in the basic toolbox, or
5 establish -- one of the things I think that I'm going to be
6 tasked to do here in the short term is take over the lead on
7 this national standards issue of this program, for the
8 advisory nature of it.
9 MR. SNYDER: Well, what types of things do you have
10 -- do you have a checklist of what you B
11 MR. LINSCOTT: No, I'm trying to see where the
12 checklist is that I could go to, to see what the checklist
13 is.
14 MR. SNYDER: Well, see, to me you're opening a
15 Pandora's Box. Not that we shouldn't do it, but it's like in
16 anything. You're not going to have, let's say, a loan
17 program that is going to capture everyone that wants to
18 obtain a loan. But within that, you should be able to
19 identify, like I think you said and intended to mean, a core
20 group of training and counseling products that would be
21 generally available.
22 And then, beyond that, allow others -- allow other

1 VBOCs to expand and to develop unique items that were -- that
2 maybe were in an area that -- you have a heavy concentration
3 of service-disabled vets that are in manufacturing. Maybe
4 some that are in IT. And allow that particular VBOC to
5 develop what it is they think they need to counsel and train
6 that constitute, but then be shared with other VBOCs.
7 MR. LINSCOTT: Sure.
8 MR. SNYDER: So that we don't have to reinvent the
9 wheel.
10 MR. LINSCOTT: No, I would be interested B
11 MR. SNYDER: I think it's definitely something that
12 is -- I mean, to me it's an extension -- or really maybe
13 another analogy close to -- well, how many service-disabled
14 veterans, business entrepreneurs, do we have?
15 MR. LINSCOTT: And then my next question, Ray,
16 would be with this $2.5 million, which -- hopefully that bill
17 gets passed that's $100 million more or I've heard about for
18 additional centers. But with the $2.5 million, how much, if
19 any, did your office get to add staff to help with the new 12
20 that are going to go in if these grants are funded and
21 approved?
22 MR. SNYDER: See B

1 MR. LINSCOTT: Now, what do we do, as a committee,
2 to help you get -- so you're going to take on $2.5 million
3 more, 12 more centers B
4 MR. SNYDER: What we're going to do is double --
5 what we have been internally working with is the
6 justification to add additional staff.
7 MR. LINSCOTT: So you're going to double your
8 outside, which is B
9 MR. SNYDER: No, but see we have -- right now, we
10 have one person that manages eight of the centers.
11 MR. LINSCOTT: Okay, so one person B
12 MR. SNYDER: And Bill and I have internally
13 discussed that, to double that, we are going to need another
14 person. And we have initiated the steps internally to get
15 that staff issue resolved.
16 MR. LINSCOTT: And so, if we came out of here with
17 a -- recommend -- would it help you if we recommend that they
18 approve that, like yesterday?
19 MR. SNYDER: Well, it's not -- obviously, it's not
20 going to hurt. But this is something that needs to be done -
21 - it needs to be done immediately. And that's why we're
22 working.

1 In other words, the first thing -- we had,
2 basically, the first shoe to drop, which was get the money.
3 Now we've got the money, and the announcement is out there.
4 And once the selection is made, then we need to get that
5 staffer on board, in line to -- and whatever, you know,
6 internal training is needed to be able to manage those
7 additional VBOCs.
8 MR. LINSCOTT: Sure.
9 MR. VARGAS: Okay. Dick, this is a very
10 constructive and useful subject to talk about. Getting back
11 to one of the things you wanted to do is to look at the work
12 of this committee, see what we can achieve here that would be
13 constructive and helpful.
14 Taking on projects is a good way to do it. I mean
15 you've got a very proactive advisory committee here. You've
16 got, you know, over 100 years -- 200 years, perhaps -- of
17 experience that comes with this committee. It would be a
18 pity if that administrator doesn't tap this knowledge that
19 Courtney has alluded to and come up with constructive
20 solutions.
21 You don't have people here who are running up to
22 the Hill with their own separate agendas and getting things

1 through. We're working collegially. We have said a lot of
2 complimentary things about the administrator in the report.
3 We stated, as one of the recommendations on page
4 12, that we want to see the establishment of new VBOCs around
5 the country. And we said we wanted to establish a structural
6 link with all the U.S. states, perhaps through NASDVA.
7 And in this regard we have, fortunately for us, Mr.
8 Terry Schow, who is the president of NASDVA. And he is in
9 town, and they're going to have a mid-winter conference next
10 week. He is meeting with us tomorrow morning, 9:00. I would
11 hope you can join us for that, because this gives us an
12 opportunity to talk face-to-face with a leader of a state --
13 of a national organization of state directors of veterans
14 affairs, see how we can cooperate, how we can exchange
15 information, support each other to get more of these programs
16 set up in different states. Because we have this, as we look
17 at the nation, this uneven performance, where in some areas
18 it works well and in others it won't work well.
19 Now, this RFP, let's take that as an example. I
20 see the potential for very few VBOCs and a very limited part
21 of the country benefitting, because they informed. Word got
22 out to them, and they were doing the right things, grants in.

1 John is putting one in for New Mexico.
2 That's fine. Good for them. But this information
3 didn't make it out of the beltway enough to other regions of
4 the country that could benefit. So, I would say that most of
5 these regions -- perhaps seven or eight -- are not going to
6 benefit from this. It will just be the one or two regions
7 that will benefit. So we need to do a better job of
8 communicating.
9 This was one of the things we pushed for last year.
10 I would have -- I think the committee would have appreciated
11 having been closely informed, been kept closely informed by
12 your office, by the SBA, that this is working out, and it
13 just doesn't happen.
14 So, I think in addition to working on some of these
15 projects as we need to to achieve something, we just need to
16 talk to each other a lot more. Setting up an independent
17 committee to look at some of these matters. Again, you've
18 got an advisory committee that could work with that committee
19 independently, to make sure we get it right. Any thoughts on
20 that?
21 MR. SNYDER: Well, let me go back to your first
22 comment about the error that we made in B

1 MR. VARGAS: I didn't say an error, I just said B
2 MR. SNYDER: No, I think -- that's my word. I
3 think that we dropped the ball, then, and should have given
4 the committee a heads up.
5 But let's take it a step further. We do that.
6 Then what changes? What would have happened then? I mean --
7 and I'm going to be facetious, and I'm going to say would you
8 have made phone calls to all -- to, say, 35 or all 50 states?
9 Would there have been -- what would have happened?
10 Because, you see, what you're -- what we're dealing
11 with is an accepted -- a newly accepted process as to how
12 these announcements are made. It used to be maybe there was
13 no word of mouth that occurred. And, conversely, there was
14 all this paper that came in.
15 The first time -- I think SBA was the first, if not
16 the first, agency to use the grants.gov to respond to these
17 types of announcements. And there were all kinds of
18 problems. I mean there were deadlines that weren't met.
19 So, if we would have used this more communicative
20 process, what would have -- what do you think would have
21 changed?
22 MR. VARGAS: Let me answer that question, and thank

1 you for raising that question.
2 One of the things that could have happened is for
3 us to say, "Hey, Dick, hey, Bill, how about ensuring that
4 each state director for veterans affairs in all 50 states
5 gets a personal copy of this RFP, and gets it well ahead of
6 time, so they have a chance to pass it on to the right
7 organizations within their state, so we make sure that all 50
8 states and organizations -- potential VBOCs -- get this
9 information, so they have a chance to respond to it?"
10 So, I think we would have helped you immensely in
11 ensuring that that communication was totally provided across
12 the board to all 50 states. That would have been a very
13 helpful thing.
14 MR. SNYDER: The one thing that -- my understanding
15 -- would not have been able to happen would have been an
16 advance copy. What we -- what you would have been apprised
17 of, or been -- had yourself availed to, would have been the
18 knowledge that on such-and-such a date, this RFP is going to
19 be published, going to be available at grants.gov. If you
20 know groups, organizations that you think would be
21 interested, then they need to go there.
22 MR. VARGAS: Okay.

1 MR. SNYDER: I mean it wouldn't have been the old -
2 - you know, like, "Here is the draft, here is a heads up.
3 It's going to be coming out in a month." That wouldn't have
4 happened.
5 MR. VARGAS: Yes.
6 MR. SNYDER: But again, even had you known that, in
7 the scenario that you just presented, it would have been an
8 advantage. It would have been an additional opportunity to
9 increase B
10 MR. LINSCOTT: So you see, something positive could
11 come out, had you engaged B
12 MS. LYNCH: Sure, and you would have been able to
13 put it in context, a little bit of editorial flair. We don't
14 know in details what's coming, but this is going to be
15 significant, and this funding is legitimate, and it's worth
16 your attention. Because there is a lot of noise, and people
17 need something that can help focus them.
18 MR. CHICOINE: And when you're talking about access
19 to capital, want to focus on that -- I mean you mentioned the
20 Dakotas. I mean a lot of times under-represented areas like
21 the Dakotas aren't always in the loop. And just, you know,
22 getting information out there -- I mean we've run an

1 organization there for a while and way under-funded. I have
2 done, you know, pro bono work for about two years now, and
3 funding has been a huge issue.
4 So, there are other organizations like that. You
5 know, and I don't know. So I think just any time you can get
6 information out more B
7 MR. VARGAS: I guess the basic message is you can
8 never go wrong by working with this committee, and engaging
9 us early in the process, making sure that we're on board the
10 flight so that we can be in on the landing with you, as well.
11 And that's something I just would urge, moving forward, that
12 we try to do, work closer together.
13 MR. WHITE: Just to support that, in your comments
14 -- and I don't mean to be picking on you, but you B
15 MR. SNYDER: That's fine.
16 MR. WHITE: -- said that the report again stressed
17 procurement, access to capital, business development, the
18 same thing you've been hearing.
19 Well, the immediate response is, "So, why didn't
20 anything happen?" We're telling you again it didn't happen.
21 MR. SNYDER: Yes, yes, I'm with you. Yes.
22 MR. WHITE: It's still important. It's not getting

1 done.

2 MR. SNYDER: And you -- and not to be picking on

3 the report, but on page eight we talk about the -- we're

4 talking about the Patriot Express loan program.

5 And then, we come down to this one paragraph, or

6 one -- couple of sentences that I have highlighted. "VOSB

7 owners provide specific names of banks and bank officials who

8 reportedly stated they neither understood the SBA guarantees,

9 nor believed that SBA would honor them. Some bank officials

10 reportedly stated that they had never heard about the Patriot

11 Express loan program."

12 This is not -- it's not uncommon. But there is --

13 but so far as to looking into it, you know, banks -- just

14 because the SBA is here with its loan programs does not mean

15 that all lenders are expected to participate, or that they

16 are knowledgeable of it.

17 But what is available is a list of lenders, by

18 state, that either participate in the Patriot Express loan

19 program on a state or geographic regional area, or that

20 participate nationwide. That could be the most -- or the

21 highest -- the most active lender is in California. But that

22 lender loans from the West Coast to the East Coast.

1 MR. GARCIA: Yes, but let me tell you what happens.
2 You have to have a -- in the SBA at the grass roots level,
3 this agency -- your agency -- has to have a strong veteran
4 advocate. If you don't have that, it ain't going to happen.
5 When the Patriot Express loan came out -- and I
6 have said this to your administrator -- my local SBA -- and
7 not John Woosley now, because he's come in, but the guy
8 before him -- had no clue, had no strategy to promote this.
9 And when we did approach the banks, the banks
10 didn't want to deal -- the major banks didn't want to deal
11 with the Patriot Express loan. We had to find a locally-
12 owned bank to say yes to the charter, which was a locally-
13 owned bank, to deal with the Patriot Express loan.
14 And so, you know, just listening to Billy, and then
15 hearing what I hear also, there has got to be some fires
16 built at the grass roots level within the SBA to really do
17 this outreach. It is just not happening. It's not
18 happening.
19 You know, they didn't hear anything about this
20 grant, because that local SBA didn't contact them, and -- if
21 they're the advocate. Or, did they contact my counterparts?
22 Now, your SBA director in our state, we've got a very

1 strong, friendly working -- great relationship. He's the one
2 that gave me a heads up on this, and said, "Check it out,"
3 and sent it to me, and we pulled it down and copied it.
4 But if your guys were strong advocates for this,
5 and knew who to contact, they would. But I think that has to
6 come from the top, to say, "You've got to do this stuff." If
7 it just nonchalantly goes out, it's not going to happen B
8 MR. SNYDER: When you say, "You've got to do this
9 stuff" --
10 MR. GARCIA: Well, you've got to communicate with
11 those involved in the veteran community. You know, whether
12 it was my office, or if it was the state commander of the
13 VFW, who is a strong advocate, or Pete Wheeler in your state,
14 or even yourself or somebody, the local SBA director and/or
15 the advocate should say, "Here is what's come down the pike.
16 How do we team up on this thing?"
17 That partnership does not exist. It doesn't. And
18 so that has to -- a fire has to occur from the top down to
19 say, "This must occur," and it's not occurring.
20 MR. WHITE: It's just not specifically about the
21 banks understanding. It's the same thing I was just talking
22 about before, is that it's inconsistent, nationwide,

1 statewide, office-wide. It's inconsistent, and it shouldn't
2 be.
3 MR. SNYDER: Well B
4 MR. GARCIA: It's in the system.
5 MR. VARGAS: I'll give you a solution here.
6 Recommendations one and three, easy things to implement.
7 Increase your outreach efforts to lending institutions, to
8 ensure they understand. Third, work with NASDVA. They can
9 be tremendously helpful.
10 So, I guess the question to this committee is,
11 well, are we going to blow these recommendations off, forcing
12 us to come back again at you next year? Or, are we going to
13 bite the bullet and implement them to make sure that we don't
14 have to come back, revisit this issue next year?
15 MR. SNYDER: Well, I think the challenge that we
16 here at SBA -- and specifically the office of veterans
17 business development -- I think have to find a way to
18 overcome is the way -- how do we achieve this increased
19 outreach within an organization that has been -- well,
20 twofold.
21 Number one, we rely on the lenders when it comes to
22 financing. We rely on the lenders and their participation in

1 getting them on board. And I use that example again, because
2 I worked in a finance office for 12 years.
3 And during 10 of those years there, the programs
4 that were developed, identified, and implemented were not
5 done in a vacuum. They were not done by the brain trust that
6 I worked for and with on the eighth floor at that time. They
7 were done in concert with -- either working with the National
8 Association of Guaranteed Lenders, or working with the 504 --
9 certified development companies, working with them as to -- I
10 mean that's the way the low doc program came about.
11 It wasn't because of some -- you know, because of a
12 financial analyst sitting on the eighth floor that said, "Oh,
13 I think this will be a great program." No. What we
14 identified was a vacuum in lending. And that vacuum, it was
15 like the loans -- $150,000, banks weren't making them.
16 Why weren't they making them? They weren't making
17 them because they couldn't make any money. How can we solve
18 this problem? They came up with the low doc program. Low
19 doc program served its purpose, and now you've moved on to
20 the express programs.
21 So, district offices, while there is an overall
22 direction of initiatives that comes down from headquarters,

1 they have a lot of latitude to serve the constituency, to
2 serve those within their respective service area, and that's
3 the way that we have operated for a long time. It doesn't
4 mean that you still don't recognize a shortfall, like with
5 this, and a way to overcome it.
6 I mean, like each district office has a veterans
7 business development outreach official. That person -- that
8 used to be a full-time position, one person. It's not any
9 more. It's what they call a collateral duty. Today, I'm
10 dealing with the veteran community. Maybe next week I'm
11 dealing with small business. Maybe next week I'm dealing
12 with women's issues.
13 MR. GARCIA: But, Raymond, that's not priorities B
14 MR. SNYDER: I'm not arguing with you.
15 MR. GARCIA: It's not working.
16 MR. SNYDER: I'm not arguing with you.
17 MR. GARCIA: It's not working.
18 MR. SNYDER: So how do we find a way to overcome
19 this obstacle?
20 MR. GARCIA: Well, I think we've given some
21 recommendations how to do that. I think it's taking
22 recommendations seriously, and looking at this teaming thing.

1 Because that's not happening.
2 And, you know, the bottom line is when you hear the
3 President and everyone speak about small business is going to
4 -- is the engine that's going to turn this economy around.
5 And when I know that one in seven small businesses is veteran
6 owned -- you know, five to six million small business owners
7 are veterans out there -- and we're trying to help them go
8 into business, and we're creating obstacles with the very
9 vehicles that can help them go into business. And we're not
10 getting the information out there.
11 And I think, you know, we're listening to some
12 grass roots stuff here, you know. Yes, I still would love to
13 see you and the administrator and the powers that be to bring
14 this committee in, and maybe the executive committee of
15 NASDVA, which also speaks to the National Governor's
16 Association. How can we stimulate business growth, at least,
17 as a priority for my veterans? That discussion is not even
18 happening.
19 You know, you talk about the office of veteran
20 business development, Billy's office, there is a center for
21 veteran enterprise. And then I keep thinking, what is the
22 Department of Commerce doing?

1 I mean, none of this -- and if we're in a crisis
2 situation about turning the economic engine back on, and if
3 we're trying to target vets and you're saying your vet guy at
4 the SBA, it's not even a priority for him, and then -- so
5 imagine a guy at the grass roots trying to get his company up
6 and running, or that veteran who is coming home from Iraq who
7 we put through an entrepreneur training program who just
8 says, "You know what? This is more difficult than getting my
9 benefits through the VA."
10 You know, it's extremely discouraging for these
11 guys. You know, Rod Salsbury is a service-disabled vet. He
12 can tell you the obstacles he runs into. But I think these
13 are just some recommendations we're giving, Ray, of what
14 maybe we can do, you know?
15 It is -- you know, the NASDVA association, I think,
16 can be a very strong arm to the SBA. They're holding their
17 mid-winter conference this coming Monday. They meet with the
18 Senate Committee of Veterans' Affairs on the House and
19 Senate. They meet with the business committee that is held,
20 you know.
21 But the partners aren't linking together. We are
22 all saying the same thing. I hear the same thing among the

1 vet groups. But, you know, even the agencies aren't talking
2 together, you know. DoD doesn't talk to the VA; the VA
3 doesn't talk to the states. It's the same thing. But I
4 think we're trying to figure out how to fix this thing, but
5 yet there are still obstacles in the way.
6 MR. SNYDER: And I don't disagree with you.
7 MR. GARCIA: Yes, I know, right. So we just need
8 to get B
9 MR. SNYDER: And let me just say one thing about
10 the talking together. Last August the administrator and I
11 went over and met with Deputy Secretary Scott Gould, and we
12 had about an hour meeting. And out of that meeting was the
13 desire and intent to talk more, to communicate more, to
14 collaborate with the office.
15 And since that time, we have held three meetings.
16 There would have been a fourth one, had -- they've got a new
17 executive director. Some of you may know him, Tim --
18 PARTICIPANT: Time --
19 MR. SNYDER: And his schedule is -- being new, they
20 are running him through a regimen of orientation, stuff like
21 that. So every time we've scheduled a meeting, he is -- at
22 least the last two have been canceled because of that. We've

1 got one tentatively scheduled for next week.
2 But we are working through and collaborating and
3 talking about their new program, things that they want from
4 us, and things that we would like from them. And, quite
5 honestly, this is the first time -- again, in the five years
6 that I have been in the veterans office -- that this has
7 happened. It just hasn't happened before.
8 So, hopefully, that is an ice-breaker. And we can
9 only continue and build on it, and work from there.
10 MR. LINSCOTT: And I know we're getting pushed on
11 time, but last year at about this same time a year ago we
12 talked about how many employees worked for the SBA, and my
13 understanding was 2,100. One in seven businesses are
14 veteran-owned. The -- how many work in the OBDB?
15 MR. SNYDER: Ten.
16 MR. LINSCOTT: Ten? How many were -- how many are
17 going to be there this year?
18 MR. SNYDER: Ten.
19 MR. LINSCOTT: And last year we had -- this was
20 going to be really important to all of us at this committee -
21 - from the administrator -- last year we had -- what's your
22 budget this year? There is -- what is it, $2.1 billion here,

1 as an agency? And our budget was $750,000, Bill said?
2 MR. SNYDER: Well, I think --
3 MR. LINSCOTT: And what are we at this year?
4 MR. SNYDER: I think you have to be careful in how
5 you break that down. We will push aside, you know, the
6 salaries and benefits portion. But just from an operating
7 standpoint, this year we get -- we are getting $2.5 million
8 that -- but that's -- we don't have any flexibility in that B
9 MR. LINSCOTT: Okay.
10 MR. SNYDER: -- because that money is going to the
11 VBOCs, the 2.5. Then you come back on the other side of the
12 budget -- that particular side is called a non-credit side.
13 Some may refer to it as an earmark. But that's what that 2.5
14 is.
15 Then you come to the operating side. We hope to
16 have $550,000 operating budget this year, $550,000.
17 MR. LINSCOTT: To set national standards and run a
18 national program for B
19 MR. SNYDER: That's -- yes, that's B
20 MR. LINSCOTT: -- one in seven of all small
21 businesses? And this whole building is 2,100 people, and we
22 get 10 people?

1 Last year, when I sat in this committee and asked
2 the question, we had a veteran business development officer
3 at every SBA office that did that full-time. This year we
4 are only collateral duty veteran B
5 MR. SNYDER: I don't know who told you that. But
6 whoever did, that response was incorrect. We haven't had
7 that for years. We have not had that for years.
8 MR. LINSCOTT: And so now we don't have any.
9 MR. SNYDER: Oh, no. There is -- for example -- I
10 mean, no. There is an individual, there is a staff person in
11 every office that has the collateral duty, along with other
12 duties, whether that person is just providing maybe just
13 general business outreach. But in every district office
14 there is an individual -- and, in fact, I can provide you a
15 list of the current VBDOs in every district office.
16 MR. LINSCOTT: But we don't have a dedicated, full-
17 time one B
18 MR. SNYDER: Not B
19 PARTICIPANT: -- this time.
20 MR. SNYDER: No, no.
21 MR. LINSCOTT: So nothing -- if anything B
22 MR. SNYDER: This doesn't B

1 MR. LINSCOTT: -- my sense is we went backwards,
2 and we asked to go forwards.
3 MR. SNYDER: I know that this doesn't solve your
4 concern. But it's not like we are being singled out.
5 Because there are other -- like the women's program.
6 Probably the 8A person. Those are collateral duties.
7 In other words, today I am wearing this hat,
8 tomorrow I am wearing a different hat. It is what has
9 happened to this -- it is -- I think it's fair to say that it
10 is the systemic change that has happened to this agency, and
11 probably many other federal agencies of a shrinking, and the
12 old adage of doing more with less. And B
13 MR. WHITE: And I don't have a problem with having
14 smaller government. But the fact still remains that B
15 MR. SNYDER: But when somebody is not doing
16 service, then you have a problem.
17 MR. WHITE: Well, you have to -- that even means,
18 more importantly, to get it tied into the state -- to the
19 other organizations and have that communication -- because
20 now you're dealing with less people to try to get more done.
21 MR. VARGAS: In other words, there are resources
22 out there that could be more engaged. But you see, the

1 problem -- and I was part of the problem for 33 years, so I
2 can say this with some authority -- the problem is that here,
3 within the beltway, we think we have all the answers, and we
4 have all the solutions. And we can't let people outside of
5 the beltway get involved, because they might screw it up.
6 Well, we've got to change that attitude and mind
7 set. We've got to change the way things do or carry out here
8 in Washington. I -- you can do a lot more with the resources
9 you have.
10 You know, this exchange you had with the VA, the
11 great exchange, consider working with the committee on that.
12 You know, we might have a thought or two to advance in
13 discussions.
14 MR. SNYDER: Okay.
15 MR. VARGAS: Every question you have asked of us,
16 we have provided an answer. We have solutions. And I think,
17 going forward, it's going to be important that we kind of
18 work together a little closer, if I might suggest. And you
19 can do it just like the Home Depot commercial. You can do
20 it; we can help.
21 Anyway, Dick, you've been very patient with us, and
22 we don't want to abuse too much the time here, and we are

1 into our lunch hour now. Unless anyone has any burning
2 comment or remark to make, please let's consider B
3 MS. SIMMS: Yes, we need to really stick to the
4 agenda, only because -- my concern is with Ana Ma, who is
5 going to be on at 1:30, and I don't want to cut -- I wouldn't
6 want you all to cut your lunches short.
7 MR. VARGAS: Thank you, thank you.
8 MS. SIMMS: So you really need to stick to the
9 agenda.
10 (Whereupon, at 12:10 p.m., a luncheon recess was
11 taken.)

1 A F T E R N O O N S E S S I O N

2 MR. VARGAS: We have Ana Ma, the chief of staff to

3 Administrator Karen Mills joining us any moment now.

4 I gather it was impossible to meet with the

5 administrator this time around. So, at best, we are talking

6 to the chief of staff?

7 MR. SNYDER: Correct.

8 MR. VARGAS: And I assume the administrator had a

9 full schedule, and couldn't work us in.

10 MR. SNYDER: She's been traveling, I know last week

11 and this week, too.

12 MR. VARGAS: Okay.

13 MR. SNYDER: She was up in -- where was it?

14 Detroit or Saginaw, with the Vice President, I think, on

15 Monday or Tuesday.

16 MR. MILLER: Okay, okay, right.

17 MR. VARGAS: Well, let's think a little bit about

18 what we should tell Ms. Ma. Now, at lunch today we -- a

19 couple of things, right? I mean there are some things

20 happening where this committee could provide some input.

21 One of the developments that we hear a lot in the

22 news is the President's decision to request that Congress

1 approve use of $30 billion of unused TARP monies to provide
2 to banks, community banks, to lend to small business.
3 It's very controversial. There are those who say,
4 you know, "Pay the national debt down rather than help small
5 business." I know there are those who say no, you know,
6 "Small business generates jobs, and that's one of the key
7 things right now. Everyone is saying, where are the jobs?"
8 So, I just wonder if this committee wouldn't be
9 able to have a thought or two about what we can present to
10 the administrator that would help veteran-owned small
11 businesses. What do you think?
12 MR. MILLER: Well, I would just say, "Out of that
13 $30 billion, why don't you give $600 million to small
14 business efforts, you know?" These guys are coming out now.
15 I wouldn't hesitate at all to ask her.
16 MR. WHITE: $6 billion would be 20 percent.
17 MR. MILLER: What?
18 MR. WHITE: Twenty percent would be about six
19 billion. Target that as an agency goal. Doesn't have to go
20 through Congress, it would just be B
21 PARTICIPANT: A direct B
22 MR. WHITE: Well, it wouldn't be direct, because

1 they can't put it all together that way. But it could be a
2 goal -- it's going to be -- you stress, you know, push the
3 Patriot loan express program. It's going to community banks.
4 They could get -- 90 percent of it would be guaranteed, no
5 fees.
6 MR. MILLER: Oh, yes, I see what -- instead of
7 doing B
8 MR. WHITE: Maybe the bank could then take that
9 money and have $300 billion.
10 MR. MILLER: Perfect.
11 MR. WHITE: To lend, you know? They're going to
12 leverage the Jesus out of it.
13 MR. VARGAS: So maybe we will look to offer a
14 thought or two, using your former banking B
15 MR. WHITE: Absolutely. That will work with any B
16 MR. VARGAS: Yes, yes. Any other thoughts? What
17 else should we B
18 MS. LYNCH: Would it be appropriate to ask the
19 chief of staff just for context on the priority of veterans
20 issues within the SBA? I mean B
21 MR. VARGAS: It would be very appropriate.
22 MS. LYNCH: Not doing it in any way to put anyone

1 on the defense, but just to give ourselves a feel for the
2 answer that we get -- the climate B
3 MR. VARGAS: I think it would be very appropriate.
4 Why don't we fit it on the radar screen? I'm sorry B
5 MR. SNYDER: One of the things that you might want
6 to inquire about is the extension of the Patriot Express. If
7 -- I mean the Patriot Express expires at the end of 2010.
8 MR. VARGAS: When in 2010?
9 MR. SNYDER: I believe it is calendar year 2010,
10 not the end of the fiscal year.
11 MR. WHITE: And that was because why?
12 MR. SNYDER: That's just the way it was set up, as
13 a pilot loan initiative. That was -- so B
14 MR. WHITE: What does it take to extend it? Is
15 that an administration thing, or B
16 MR. SNYDER: Yes, yes, yes.
17 MR. WHITE: Just strictly SBA?
18 MR. SNYDER: Yes. I mean you'd have to notify OMB
19 and what have you, but B
20 MR. WHITE: Yes, sure.
21 MR. SNYDER: But no, it doesn't require a law, or
22 anything like that.

1 MR. WHITE: Well, that certainly would be one of
2 our recommendations.
3 MR. SNYDER: Because right now it's coming out of
4 the -- it's just a subset of 7A.
5 MR. WHITE: Yes.
6 MR. SNYDER: Just like SBA Express, if you will.
7 MR. WHITE: Right.
8 MR. MILLER: Maybe someone can talk to her about
9 that, about extending it.
10 MR. VARGAS: That's what B
11 PARTICIPANT: Definitely want to bring that up.
12 MR. VARGAS: Absolutely. Ron, why don't I leave
13 that to you? All right? Okay. I just want to kind of
14 divide the work here. I want her to hear what great voices
15 we have on this committee. How about you, Courtney?
16 MS. LYNCH: I will ask the context question.
17 MR. VARGAS: All right.
18 MS. LYNCH: About just the prioritization of
19 veterans issues, and what's the climate within the
20 administration.
21 PARTICIPANT: Don't swear at her B
22 MS. LYNCH: Yes, I will try to keep it clean. But

1 I might stand up.

2 MR. SNYDER: Felix, one suggestion, since we don't

3 have 100 people in here, is just to maybe briefly go around

4 and introduce yourselves.

5 MR. VARGAS: Yes, sure.

6 MR. SNYDER: Committee members.

7 MR. VARGAS: Sure, absolutely. Well, we had the

8 pleasure to meet with her once before, but I know it's been a

9 long time ago.

10 PARTICIPANT: What's the administrator's priority?

11 What's her top three priorities?

12 MS. MA: Hello, sorry to interrupt.

13 MR. VARGAS: Okay. Well, Ana, listen. On behalf

14 of the committee -- Felix Vargas here -- let me thank you

15 very much for taking time out to meet with us. We know that,

16 in this day and age, that there are things happening in

17 Washington, D.C., and B

18 MS. MA: Really?

19 MR. VARGAS: Yes. No, seriously. This committee,

20 which is chartered as a standing committee, has been a bit

21 ambitious, perhaps. You've seen the report in laying out

22 some ideas and recommendations of where we think the

1 Administration, the SBA, this committee can help veteran-
2 owned small businesses.
3 We've been talking before you came here about some
4 things that perhaps would be useful for you to know, or at
5 least hear about. And we will do that. But I want to at
6 first start out by ensuring that you know who we are, and so
7 I will go around -- we will go around and introduce ourselves
8 to you, in case you haven't heard.
9 I am Felix Vargas. I have been a veterans advocate
10 now for a couple of years. A Vietnam veteran, served 19
11 months in Vietnam. I served subsequently in the government
12 for 33 years, U.S. Department of State, and also the U.S.
13 Army Reserve program. That is -- I am from the great state
14 of Washington.
15 MR. GARCIA: And I am John Garcia, I am the
16 secretary of veterans affairs for the state of New Mexico,
17 formerly the secretary of economic development with the
18 previous administration. Been involved with chamber of
19 business, and a veteran advocate since Vietnam. I work here
20 in D.C., running a Vietnam vet leadership program, involved
21 with the Vietnam vet wall, and other types of issues
22 concerning veterans.

1 Right now in our state we also have a veteran
2 business resource office that is assisting veterans. We have
3 brought in $27 million in the last year-and-a-half of federal
4 contracts. So what we have in place, I know it's working.
5 So I'm just happy to be part of this committee.
6 MS. MA: I see.
7 MR. WHITE: All right. I'm Steve White. I run an
8 organization called the Veterans Business Network. I also
9 have a publishing company on my own. A Vietnam combat vet,
10 worked for a bank for five years, a commercial lender.
11 Worked for the SBA in New Hampshire for five years. Started
12 my own business, and then also started an entrepreneurial
13 program for veterans in Manhattan.
14 I've been very interested in veterans affairs all
15 along. Served on the original task force for veteran
16 entrepreneurship for the SBA. Still a member of that, and
17 would be very excited to see something good happen for
18 veterans in business.
19 MR. CHICOINE: My name is Jathan Chicoine. I'm
20 just the cofounder and past executive director of a small
21 community-based organization. It just kind of started out of
22 veterans coming home and integrating back in within

1 university systems. And I have just been doing that. We
2 have looked at a lot of issues in rural South Dakota, and how
3 can we connect with veterans throughout the state. So it's
4 nice to be here.
5 MS. LYNCH: Well, I'm Courtney Lynch. I am a proud
6 Marine Corps veteran, nine years of service to the Marine
7 Corps. My private sector career is I am a consultant,
8 cofounder, and entrepreneur of a consulting firm, and I am
9 the author of the best-selling business book, "Leading from
10 the Front." And I am a new advocate for veterans issues.
11 I'm one year down. But we look at ourselves as the voice of
12 the young veterans, Jathan and I.
13 MR. WHITE: Also a new mom.
14 MS. LYNCH: I know, a new mom. I got pictures.
15 No, I'm just kidding.
16 (Laughter.)
17 MS. MA: Last time I met you, you -- I don't think
18 the kid was here yet.
19 MS. LYNCH: No, I was probably pretty big. Still
20 working my way back down. Yes. He arrived, safe and sound.
21 Thank you.
22 MR. MILLER: Ron Miller, Arkansas. I ran a small

1 business development course and center in Georgia, and an
2 employment office for 13 years. And I am a helicopter and
3 multi-engine pilot, and I am very interested in working with
4 our small business development center in Arkansas at the
5 state level, and also at the university where I live.
6 MS. MA: Thank you, Ron.
7 MR. LINSCOTT: Jeffrey Linscott, Oregon
8 entrepreneur, business -- small, ultra-small business owner.
9 Veteran of the Marine Corps, the Army National Guard, and
10 the Air Force Reserve, 22 years.
11 MS. LYNCH: He just doesn't like the Navy.
12 (Laughter.)
13 MR. SALSBURY: Oh, Rod Salsbury. I work with John
14 Garcia. We're building an enterprise class portal for
15 veteran-owned businesses to use to collaborate on veteran
16 issues, as well as to gain more veteran contracts.
17 MS. MA: Well, good. Raymond?
18 MR. VARGAS: We're trying to figure that out, also.
19 (Laughter.)
20 MS. LYNCH: Just hanging out.
21 MR. SNYDER: Thought I was among some friendlies.
22 MS. MA: Thank you everybody. I mean thank you

1 again for your service, and what you guys do. You know, it's
2 important for us to keep veterans up to the forefront of, you
3 know, what we, as SBA, can do to help everybody, but also
4 some of our -- definitely our vets.
5 We see it as a challenge and, at the same time, as
6 a must, to find venues and to find creative ways through Bill
7 Elmore and Dick Snyder, you know. They've provided great
8 leadership and been incredible advocates for what you guys
9 stand for, and for what you guys need. And we need your
10 creativity and we also need your ideas. You are out there,
11 and you see what works, you see what doesn't work.
12 And, you know, after being here a year, a little
13 more than a year, I am finally being able to find my way. I
14 think when I first met you I was barely trying to find a way
15 out of the hallway at this point. It's been a challenging
16 year, overall, I think, for everybody across this country.
17 And, you know, the President has given us an
18 incredible task, to be able to -- starting last March -- to
19 basically distributer funds, these stimulus funds I will call
20 them, economic recovery funds. And I am proud to say that
21 the team at SBA has rallied around that task, you know, with
22 Meaghan's help too, and you know, everybody in the political

1 and the career staff, and being able to go out there and
2 basically make sure that the funds get out there, and the
3 resources are getting out there for small businesses.
4 I mean you still hear -- obviously, you can never
5 please everybody, as we all well know. But we are still
6 working hard. I know that the administrator has put a lot of
7 emphasis on the federal procurement numbers. And we have
8 been able to reach, again -- especially under the stimulus
9 funds -- we have been able to reach over our goal for
10 disabled vets. And -- along with all the other numbers.
11 So, we have been extremely proud of, you know,
12 being able to do a lot in a very short amount of time. But
13 there is still a lot more to do. And we will still be eager
14 to hear from you. So -- you know, your stories and your
15 anecdotes that you hear out into the field.
16 But I also wanted to make sure to introduce
17 Meaghan, who just joined us as -- not only she was White
18 House liaison who was here before I was, so she can tell me
19 where outside the hallway was, but also has joined, you know,
20 to be deputy chief of staff. And she is handling a lot of
21 the initiatives for -- portfolios for the administrator.
22 And you know, we have been able to set up -- we

1 have kind of robusted our teams here from the administrator's
2 office on down with incredible staff, both on the career side
3 and the political side this past year. And, you know, all we
4 can do is just move forward.
5 Pretty soon the President has nominated a deputy
6 administrator. We are hoping to have a hearing for her in
7 the next couple of weeks. And you know, hopefully the -- two
8 more PAS positions, two more presidential appointment
9 positions, that we are waiting to fill. And then the
10 presidential appointment team will be complete.
11 And, you know, as always, we are still doing a lot
12 of -- you know, being involved from the White House on down.
13 Again, we have been fortunate for the last couple of weeks -
14 - more than a couple of weeks, but a couple months -- that
15 the White House has put a lot of emphasis on small businesses
16 and job creation.
17 And that definitely -- SBA has been heard, and they
18 have been invited to the table, which -- you know, the
19 administrator, when she first got here, was talking about
20 just getting invited to the table. So now, every invitation
21 is SBA should be there, and putting on the emphasis of small
22 businesses and all their constituents.

1 I think Meaghan can add a few words, too.
2 MS. BURDICK: So, it's nice to meet everybody. I
3 think I've met a couple of you before. But we -- I don't
4 know if we want to talk specifically about some of the
5 initiatives.
6 Of all that I was doing as White House liaison,
7 which I am going to continue doing as deputy chief of staff,
8 is a lot of our inter-agency outreach. One of the things the
9 Obama Administration is very, very big on is bringing the
10 federal family together to try to do things more effectively.
11
12 So there are so many inter-agency groups on
13 different issues, and we are really excited that the
14 executive order has been signed about the inter-agency task
15 force for -- the veterans task force that was supposed to
16 have happened under the previous administration, and we are
17 now going to be able to move forward with that inter-agency
18 task force, which is -- we will be looking to you guys a lot
19 to kind of help us drive that.
20 We need to figure out what -- just how we go about
21 gathering and who -- you know, doing outreach at the various
22 different agencies, to figure out who they're going to have

1 represent them on the counsel, or on the task force.
2 So that's one thing that's -- you will be hearing a
3 lot more about in the next month or two, just as far as
4 getting that together, and up and running. Now that it's
5 finally -- the EO has been signed, which is great.
6 Another initiative that we have started being
7 involved in a little bit and -- is I'm working with
8 Administrator Mills on a lot of regional cluster initiatives.
9 And the regional cluster initiative is taking different
10 programs and making sure that we are teaching people on a
11 regional level to come together, to work together to create
12 business.
13 And part of that initiative, part of the funding in
14 that initiative, we are looking -- we are asking Congress for
15 money, a couple of million dollars, for a veterans program
16 focused on women veterans, and an education program, you
17 know, based off of the Syracuse that we have already funded -
18 - that -- or money has been requested for.
19 And so, we focus on women's veterans, as well as
20 veterans' spouses, and building up a curriculum for the --
21 you know, at community colleges for women veterans and for
22 their spouses, to come in and get training on how to start a

1 small business.
2 So, that's sort of another initiative that is
3 headed for more prime time. But it's just sort of -- we're
4 putting the budget together, have to get the funds that are,
5 you know, appropriated. So, those are sort of two things
6 that I have been working on in this arena.
7 Also, as White House liaison, as -- I was CMO, so I
8 sat down with Dick and with the team before, as far as just
9 keeping the council up and running on what's going on. And
10 Mike Brown works with me to do that. So tangentially, I have
11 been involved with all of the councils and committees that
12 are here at the Agency.
13 And I'm just really excited to be here in this
14 role, and to meet you guys. And I am a good resource to come
15 to when you just have sort of questions about what we're
16 doing with other agencies, or what's going on with certain
17 programs that you might hear about. You know, I have a long
18 history with the Obama team, as well as here in D.C., as well
19 as the -- the Hill is a speciality. So, feel free to reach
20 out to me if you have any questions.
21 MR. VARGAS: Good. Well, listen, thank you. I
22 think this is a good opportunity to kind of get into the meat

1 of some certain things. This committee is a very proactive
2 committee. We have a lot of expertise, knowledge, years of
3 experience that we've brought to the fore.
4 SBA is limited on resources, both human and
5 capital. So the SBA would do well to engage this committee
6 on certain projects, going forward.
7 We are a little disappointed that the RFP that is
8 coming out on the veterans business outreach centers, the
9 $2.5 million coming out, grants for up to 12 VBOCs, wasn't
10 more closely coordinated with us. I mean this was one of our
11 key things we focused on this last year. It was one of the
12 recommendations made in our report, which I know you've seen.
13 And so, therefore, the disappointment, I guess, that we
14 didn't know -- and what we can do, as we mentioned this
15 morning, is certainly help ensure that the word gets out to
16 the regions.
17 We have all too many forgotten regions here where
18 veterans live, who could have benefitted -- would have
19 benefitted -- from knowing about this opportunity, which now
20 closes on this coming Monday.
21 We are a resource. We would like, as you set up
22 independent committees, to look at them -- at VBOCs. As you

1 launch into your cluster work and other things, we can help.
2 One of the things we want to do is to get the
3 National Association of State Directors for Veterans Affairs
4 involved here. Mr. Garcia, cabinet secretary for veterans
5 affairs, New Mexico, and a member of this committee, has made
6 a very compelling case for engaging these state officials in
7 some of the veterans' activities. Why? Because they are an
8 extension of you, in a way, and they can help, tremendously.
9 Tomorrow we have a meeting with the president of
10 this association to talk about ways that this committee can
11 support NASDVA, can work together with NASDVA, and hopefully
12 bring SBA on board to do one very important thing, and that
13 is reach out to as many veteran-owned small businesses we
14 can. So, again, we are a good resource.
15 On this story, I'm going to ask Steve White here to
16 maybe frame this better than I can. But we know there is $30
17 billion that the President has mentioned, in connection with
18 his jobs creation initiative -- which is very important, we
19 all agree -- that would come from unused TARP monies which
20 will be provided to banks, community banks, to lend. I just
21 wonder, Steve, wouldn't there be something for veteran-owned
22 businesses in this? And if so, what would you suggest?

1 MR. WHITE: We had talked about this a little bit
2 over lunch. And it became sort of apparent -- if it's going
3 to the banks that didn't receive TARP money, from what we
4 understand B
5 MS. MA: Yes.
6 MR. WHITE: -- it would be the community banks that
7 do most of the lending anyway for small business, generally.
8 The big guys B
9 MS. MA: Generally.
10 MR. WHITE: -- say they do, but they don't. That
11 it would seem to be a natural -- since we're all targeting
12 veterans in the administration here, to earmark, not
13 legislatively, but just as an SBA administrative goal, to say
14 there is -- approximately 20 percent of the small businesses
15 are veteran-owned businesses. Literally target 20 percent of
16 the money to go to veteran-owned businesses, and veteran
17 entrepreneurs through SBA loans.
18 It's the same opportunity we have, too, to push
19 that through the Patriot loan express program, which Dick
20 mentioned is going to be ending in 2010. We're going to
21 recommend they extend that. I don't know why it wouldn't.
22 But it would just be a natural thing to do that, and then to

1 promote it.

2 If the banks took advantage of those dollars, and

3 did a lot of loans through Patriot Express -- and they give

4 7A loans to anybody -- obviously they can leverage that money

5 to get it out to thousands more businesses than they would

6 from a big company just lending out -- a big bank lending it

7 out to big businesses.

8 So we would recommend that you take a look at

9 saying, how about, from an agency point of view, we target

10 and promote the fact that we would like to see at least 20

11 percent of this money that's SBA guaranteed go to veteran-

12 owned businesses.

13 MS. MA: I mean yes, absolutely. I mean we would

14 encourage them to get SBA lending up at this point.

15 You know, one of the things that is -- the devil is

16 always in the details, and we are still negotiating with

17 Treasury, because they are in charge of these monies. But we

18 definitely do understand that it's going to small business

19 lending.

20 MR. WHITE: It's going to go to banks.

21 MS. MA: YES, it's B absolutely, absolutely,

22 absolutely.

1 MR. WHITE: So B

2 MS. MA: No, no, no B

3 MR. WHITE: So it makes sense, from an SBA point of

4 view, from a community development point of view, to say to

5 the banks, "It's supposed to go to small businesses." It

6 would make sense for you to leverage this through the SBA,

7 because they can get that much more going out B

8 MS. MA: Absolutely.

9 MR. WHITE: Patriot loan express, you know, could

10 be a very good proponent to have that as an advertising

11 venue. It could make just great public relations for the

12 administration, for the SBA, for veterans -- more awareness

13 of veterans in business -- and for the -- through the

14 transition assistance program there is going to be a lot of

15 newly created veterans that are going to be looking to start

16 businesses. It would be an ideal situation.

17 So, is the plan still to keep -- how long is the

18 no-fee program going?

19 MS. MA: I was about to explain. The end of

20 February, yes. But it's going to B

21 MR. WHITE: So we would recommend you do that, keep

22 the no fees going, because that -- I'm talking to banks all

1 the time, and that's one of the issues B
2 MS. MA: Yes.
3 MR. WHITE: -- is the fee situation.
4 MS. MA: That caveat of no B
5 MR. WHITE: The guarantee, to ensure that they know
6 exactly what they have to do so they get the guarantee, so if
7 there is a problem they get repaid. And then, to me, keeping
8 it at 90 percent for the Patriot loan.
9 MS. BURDICK: Well, we have -- I mean double-time
10 here, triple-time, basically educating everybody we can about
11 the importance of extending the no fees and 90 percent.
12 MS. LYNCH: Because that's due to expire in five
13 days, I think. Is that right?
14 MS. MA: Yes, yes.
15 MS. BURDICK: It's due -- we are going to start the
16 -- it means that the money is running out, but it's not out
17 yet.
18 MS. LYNCH: Okay.
19 MS. BURDICK: And -- but so that's something that
20 we are extremely focused on right now, just because we know
21 it's so important, across the board.
22 I can't speak specifically to Patriot Express, but

1 B

2 MS. MA: Yes. Well we are looking at enhancing the

3 Express program, certainly. We are looking into the express

4 programs.

5 MS. BURDICK: Overall.

6 MS. MA: Overall.

7 MS. LYNCH: Would you -- I mean is it safe to say

8 that the express programs are not in jeopardy, or are they?

9 They might not look the same, or B

10 MS. MA: They might not look the same, they might

11 go through a revamp. You know, everybody from Congress on

12 down is looking at these programs, and they're looking at the

13 default rates. So -- and I'm sure Eric, tomorrow, will be

14 able to give you a lot more details as, you know, as to the

15 numbers.

16 MS. LYNCH: Sure.

17 MS. MA: Especially for this past year. But to

18 tell you the truth, you know, I don't see it as -- I see it

19 as maybe fusing into something else, or keeping it as such.

20 But at this very crucial time in our economy, I

21 don't think you will see -- you know, take the rug out of

22 under somebody.

1 MS. LYNCH: Sure.

2 MS. MA: We definitely -- I definitely have been a

3 big proponent of keeping as many tools as we've got in the

4 toolbox currently as possible, and then possibly tweaking

5 them to make it a little -- you know, either better, or B

6 MS. LYNCH: Sure.

7 MS. MA: -- or more B

8 MS. LYNCH: Or reduce the rates, or make them more

9 effective.

10 MS. MA: Exactly, exactly. So we -- but it's

11 definitely something that we will keep in mind, and

12 especially when it comes to our materials, our publicity

13 materials, per se.

14 I mean, when we talk to the banks, when our field

15 staff talks to the banks, it's making sure that they keep the

16 vets -- and I couldn't commit to 20 percent, but you know B

17 MR. WHITE: Well, you know, I'm just saying that

18 all it is B

19 MS. MA: Absolutely.

20 MR. WHITE: Not necessarily you've got to be held

21 to it, or anything else.

22 MS. MA: YES.

1 MR. WHITE: Just I think it sends a very positive
2 message B
3 MS. MA: Absolutely. And our B
4 MS. LYNCH: And 10 percent for recovery?
5 MS. MA: Yes B
6 MS. LYNCH: I mean the recovery number is pretty
7 strong for veteran-owned businesses.
8 MS. MA: So we've been pretty proud of that, and
9 we're going to try to keep that up. It's all about a
10 publicity campaign, an outreach campaign that our field staff
11 has been doing.
12 So, hopefully -- I am hoping that you all have gone
13 to the field offices, to the regional offices, and been able
14 to talk to some of those folks. But if not, you know, please
15 let me know, because you are eyes and ears to the ground, as
16 well.
17 MS. BURDICK: Well, what are the banks saying on
18 the ground? I mean that's what we're always trying to figure
19 out, what we can be doing to help the -- help gets the banks
20 to lend. Because that seems to be the biggest problems.
21 That's why the fees, and that 90 percent guarantee are great,
22 and that's why we're doing an examination of all of our loan

1 products, to figure out, like -- even if -- why they're not
2 being utilized.
3 MS. LYNCH: One of the biggest things that I'm
4 hearing from the banks on the ground -- could be irrelevant,
5 but it's the documentation. It's, could you turn a 7A into a
6 Patriot Express, because we love the lack of paperwork and
7 the man hours and manpower that it takes.
8 So, there is just a real push from every -- and
9 this is just me, as an entrepreneur, talking to local banks.
10 Anything you can do to decrease the documentation on loans -
11 - and I mean, obviously, there is only so much you can do on
12 certain -- but one banker specifically said to me, "If you
13 could take the 7A and make it a Patriot Express but still
14 call it a 7A," as far as the paperwork requirements, but B
15 MS. MA: Yes.
16 MS. LYNCH: But again, in the intent of keeping
17 paperwork down, and keeping man hours down B
18 MS. MA: We are definitely working, because we hear
19 that on the ground. The administrator has heard that as she
20 is going across the country. And we definitely have a team
21 that is working on the -- what we call simplification of the
22 process.

1 MS. LYNCH: Yes.
2 MS. MA: And working through the process, and see
3 what we can eliminate and what we can prevent.
4 MS. LYNCH: Because bankers who are aware of the
5 Patriot Express -- and that's still a minority of bankers out
6 there -- but bankers that are aware of it love it.
7 MS. MA: YES.
8 MS. LYNCH: Because they -- especially ones that
9 have a veterans population in their community. Because it's
10 -- wow, it's instant loans. I mean that -- you know, I
11 mean, obviously simplifying here, but B
12 MS. MA: Yes.
13 MS. LYNCH: Yes.
14 MS. MA: No, absolutely. Absolutely. And we are
15 looking at revamping these programs and revamping the
16 processes. So we are working.
17 MS. LYNCH: Sure.
18 MS. MA: Just be a little bit more patient.
19 MR. VARGAS: I think another challenge -- and I
20 don't know how you deal with this -- is what I would call a
21 challenge of attitude, where certain banks just don't want
22 anything to do with SBA lending. They are not SBA-friendly.

1 They don't see that they make any money off these loans.
2 They think it's a hassle to deal with SBA. They don't fully
3 understand, they say, SBA guidelines and so forth.
4 So, it seems that, to get past that attitude, or to
5 deal with that attitude, you're going to need some more
6 missionary work.
7 MS. LYNCH: I think the market is helping there,
8 though. Because if you look at some of the banks that are
9 doing better, they're the ones that have been more productive
10 and consistent with SBA programs.
11 MR. VARGAS: Yes, yes.
12 MS. MA: No, and we appreciate that kind of
13 feedback, because I mean, we know. There is only so many
14 bankers you can -- you know, over to the head and tell them,
15 you know, "Take SBA, take SBA."
16 But at the same time, we've been doing an
17 incredible job in recruiting additional banks. We have had
18 1,200 lenders come back through the recovery period to --
19 that haven't given out, haven't done any SBA loans since
20 2007. They have come back, and even with the paperwork, even
21 with X, Y, and Z. They understand the 90 percent guarantee
22 and the no fees is really B

1 MR. WHITE: But also, the secondary -- that was
2 critical.
3 MS. MA: Absolutely.
4 MR. WHITE: It was the key thing that I was told
5 was the secondary market. Until that came back they weren't
6 going to do it.
7 And also, they were having trouble with the
8 guarantee section. And I have been assured that now you
9 have, like, a checklist. As long as those things are agreed
10 to as the loan is administered -- particularly from preferred
11 lenders, which are using their own paperwork -- and then it
12 comes back to haunt them that, "Oh, you didn't get this, so
13 we're not honoring this," and it was five years later. I
14 mean these are exactly what B
15 MS. MA: Right.
16 MR. WHITE: -- the comments I've gotten. So, I
17 mean, I can understand you've got to look at the guarantee
18 and honor it when it's right.
19 MS. MA: Absolutely.
20 MR. WHITE: But I think it's -- again, what --
21 there is some communication gap sometimes.
22 MS. BURDICK: That's exactly B

1 MR. WHITE: And it's inconsistent between offices
2 in all the services.
3 MS. BURDICK: And B
4 MR. WHITE: So it's a communications deal with you
5 guys and the SBA people on the street.
6 MS. BURDICK: Right. I know, I agree. It's
7 definitely a communications issue that we need to rectify
8 regionally, and to make sure that, regionally, we are --
9 everyone is out there saying the same thing.
10 The 90 percent -- or us not awarding the guarantees
11 has been something that, I mean, just is not factually true.
12 But for some reason that perception was out there,
13 regardless of -- maybe years before it -- and it wasn't
14 happening. And so we have been, like, trying to hammer on
15 that was a perception that's not true, to help get more -- to
16 increase our number of financial institutions.
17 One of the main goals right now is to increase just
18 the numbers of financial institutions. Because once we have
19 more people doing SBA lending, then we can focus on getting
20 out what kind of loans we, you know, need to get out, or want
21 to get out.
22 And also, the third thing that you mentioned that

1 we're working on is trying to figure out what we can do from
2 the front end to help people have the paperwork exactly how
3 the lender wants it when they go in, so that, you know, if
4 there is like -- you know, you're required to go to a
5 district office or a small business development center, you
6 know, a veterans business center before you go in so that
7 your paperwork is all correct, then hopefully that will up
8 the chances of getting a loan.
9 So those are sort of three things that we have been
10 working on. But the perception issue is something that we
11 need to help with everywhere. Because, I mean, that is just
12 not something that's true. But, you know, part of our whole
13 reaching out and outreach efforts that we're hoping to
14 increase this year B
15 MR. VARGAS: Well, we're trying to help in that
16 regard. A lot of us attend national conferences, talk with
17 veterans, and we certainly will use those opportunities to
18 encourage them to -- you know, to work closer with banks, and
19 those bankers, we encourage them to be a little more veteran
20 friendly, when we can.
21 I just want to come back to a point here on the
22 amount of money that's coming from TARP monies for community

1 bank lending. Is it too much to request that the
2 administrator consider issuing some kind of statement to the
3 effect that, you know, a percentage of this should be
4 considered for lending to veteran-owned small businesses?
5 Could we get some kind of statement that we can say
6 to veteran groups, "Look, the administrator is veteran
7 friendly. She cares, and so much that the President's
8 initiative now is coming out in specifics, and she is
9 supporting increased lending to veteran-owned small
10 businesses?"
11 MS. MA: I will bring your statement.
12 MR. VARGAS: Sorry?
13 MS. MA: I will bring your statement.
14 MR. VARGAS: Yes. Okay, good. And my other
15 comment, Meaghan, is you know, I always respect women
16 veterans. We know that you're requesting money for women
17 veterans.
18 This committee represents all veterans. And the
19 challenge for us is when there are categories within the
20 veteran community that somehow are going to get more
21 visibility than others. That always runs the risk of
22 dividing us, as a veteran community. We're really all about

1 veterans, you know? We don't need all-male veteran funding
2 initiatives. And the problem with -- the challenge with just
3 focusing on women is that, you know, it causes a lot of us
4 males to say, "Hey, what about the rest of us?"
5 So, I mean, it's just something for you to think
6 about. I know that this train is pretty well on the track.
7 But I think Courtney also had a question.
8 MS. LYNCH: I just had a question. I mean again,
9 hearing your backgrounds, your connections to the Hill, your
10 connections to the Administration, how -- I mean can you
11 give us insight on how are veterans' business issues
12 perceived within the SBA?
13 I mean, is it -- of course it's a priority item,
14 because all of your items are priority items. But can you
15 kind of educate us, and just kind of tell us, when you talk
16 to folks at the White House, or when you talk to folks on the
17 Hill, where is the mind set when people think veterans
18 business issues? Is it at the forefront at all? Is there a
19 piece of it that's getting a lot of play? Can you give us a
20 little context on maybe some of the programs? Because it's
21 good to get that insight from you both.
22 MS. BURDICK: Yes. I mean, I think that it's very

1 much on the forefront. I mean I think that there is offices
2 that have been created within the White House focused on
3 veterans that have never been created before.
4 MS. LYNCH: Is that because of the sheer numbers of
5 veterans? Is that what's drawing attention to it? Or is
6 there a deeper tie?
7 MS. BURDICK: I mean I think it's, you know -- I
8 don't know the answer to that question. I think, just driven
9 by the President. I think that the President wanted more
10 focus, and wanted it focused at the White House. And so I do
11 probably -- because the is more -- the veterans. But I don't
12 know the answer specifically for that.
13 So we work closely with, like, Matt Flavin, who
14 represents, at the White House, as far as what our programs
15 are, our numbers, you know, what more we could be doing. You
16 know, it's part of -- it's sort of part of -- it's part of
17 like -- very much Felix's point, it's, like, part of the
18 bigger conversation. It's that, you know, the conversation
19 at a whole has been access to capital for small business
20 owners, you know, and we've been talking about that. It's
21 been driven.
22 And then we talk about the areas in which we focus,

1 you know, where -- you know, whether it's called contracting
2 dollars, or whether it's just like, you know, our loans,
3 looking at what markets we are serving.
4 So, I mean, that's my experience from
5 conversations. It's very much like, you know -- it's always
6 on -- like it's always there, it's always on the table. It's
7 always in a conversation. I mean, you know, we worked
8 extremely closely, as soon as -- you know, Bill brought up
9 the inter-agency task force very quickly when we stepped in
10 the door. It took us a little while to get our feet wet, to
11 try to figure out what was going on, and they passed the
12 Recovery Act, it got really busy.
13 And so, like we all got focused again. And we took
14 care of it. And that was a -- very much a combination of
15 cabinet affairs, working as hard as they can, us working, our
16 general -- you know. So that was a really great example of
17 coming together to get something that's really important
18 taken care of -- not taken care of, but the first step, at
19 least. That is my experience.
20 MS. MA: In my conversations, especially with the
21 administrator, she always makes sure that -- to bring the
22 vets into the forefront, making sure that we're working

1 together, we are given as much resources and tools into the
2 toolbox. We are looking at new and creative ways, especially
3 with these online, you know, systems and courses, et cetera,
4 which Members of Congress do seem to -- you know, we've got
5 some tools.
6 And how can we help? I mean how can we tell --
7 you know, help you distribute this kind of information? So
8 it definitely comes up. And you know, even today I actually
9 think the administrator spoke to Congressman Sestak and I
10 think -- obviously, a vet -- and he was extremely interested
11 in, you know, what is SBA doing for vets, what is SBA doing
12 for Pennsylvania, what is -- you know.
13 But it still needs -- the conversation, absolutely.
14 And you know, one of the things is that I think -- and I
15 want the opportunity to meet with you guys, you know, maybe
16 more informally once a month or something like that for half-
17 an-hour on a conference call, you know B
18 MR. GARCIA: But, Ana, let me just tell you. I
19 hear what you're saying, but I just -- out of frustration --
20 it's not getting down to grass roots level.
21 What you're saying is the discussion is taking
22 place here in the D.C. environment, and it's not trickling

1 down to grass roots. You've got some tools up here, and you
2 may have a hammer, but I need a saw at the grass roots level,
3 and it's not -- the right tool is not there.
4 MS. MA: What is the tool?
5 MR. GARCIA: Well, case in point. Your SBA offices
6 around the country have SBA veteran coordinators. They don't
7 know where the veterans are. They're not even part of the
8 veteran community. They're not part of the VFW, American
9 Legion, DAVs, any of that. They have no idea where they're
10 at.
11 MS. MA: John, out of curiosity, so let me ask you
12 this. If I put -- had a conference call with all the vets
13 across the field offices B
14 MR. GARCIA: Right.
15 MS. MA: -- and I say, you know, "You need to give
16 me an hour with Mr. Garcia" --
17 MR. GARCIA: Right.
18 MS. MA: -- "so he can teach you, one-on-one, the"
19 --
20 MR. GARCIA: Oh, yes.
21 MS. MA: That's one-on-one.
22 MR. GARCIA: No, here is what you do. There are 50

1 states and 5 territories that have a secretary of veteran
2 affairs that is not being utilized. That's the National
3 Association of State Directors of Veteran Affairs.
4 I have set up, myself, out of my own money, 10
5 veteran business resources offices. I went to Arizona and
6 tried to meet with your guys. They had no clue about public
7 law 108-183 a couple of years ago. I've gone to Oregon, I've
8 gone to the State of Washington, and we have set up our
9 veteran business resources offices there.
10 But even in my own particular case, when the
11 Patriot Express law came out -- the gentleman is not there
12 now. In fact, John Woosley, who is down there, is a great
13 guy. We've got a great team effort, because we did a
14 memorandum of understanding between SBA and the SBDC, my
15 state agency, that we're going to make this thing work.
16 But when I first went in there, the director didn't
17 even know what the Patriot Express loan was.
18 MS. MA: Right.
19 MR. GARCIA: Had no clue where my vets were. And
20 the only people that can tap that are my counterparts. I
21 deal with all the veteran service groups. But yet, the SBA
22 is not teaming with us. There is no partnership with the

1 states' secretaries, directors of veterans affairs.
2 This contract went out, and the only reason I got a
3 copy of it was because John Woosley, who was on the team,
4 said, "John, here is a contract coming out for 12 veteran
5 business centers, and we're looking at that."
6 And then, in your 10 regions here, I've gone to 5
7 of these states within the regions that are here, just as
8 secretary of veteran affairs. And what you need is a point
9 man down there who can meet with these veteran SBA
10 coordinators. But, as Raymond says, many are wearing three
11 or four hats. And if they've got time, they will do the
12 vets. And then they've got to do something else.
13 Veterans, in my opinion, just have not been a
14 priority, are not the priority in the SBA. They are nowhere
15 in Commerce. We don't see them, and Commerce should be
16 engaged in this thing. Then you have the VA, the Center for
17 Veteran Enterprise.
18 And so, when I hear this thing, that one in seven
19 small businesses are veteran owned, and I see or hear -- in
20 all due respect, and it's great -- that we're going to put an
21 emphasis on women veteran business owners, well, that's 1.8
22 million out of 26 million veterans. And if one in seven is

1 small business, that's six million or five million small
2 businesses that are veteran owned.
3 And the thing that I find -- I've got to just tell
4 you this. My priority, as all my counterparts, is to find my
5 veteran, to make sure he files for his benefits that he has
6 earned. That's my priority. And if public law 108-183 is a
7 benefit, then I've got to get him to file.
8 So, I come back and I do a conference in my state.
9 Normally I do stand-downs, okay? Find my vets. And I will
10 get 100 guys showing up, men and women. And they know more
11 about the VA than I do, wearing their jackets and pins. I do
12 a vet biz conference, and 400 or 500 show up, a veterans
13 business conference. And almost 80 percent have not filed
14 for their benefits, because they're too busy working. Almost
15 50 percent have a service disability they never filed for.
16 So, what is the SBA going to do for me on that?
17 Nothing. So, what ends up happening -- because I have to
18 file for those guys to get their service disability so they
19 can qualify for the public law 108 and get them into the
20 express loans.
21 So I would encourage the SBA to work with the
22 states to form memoranda of understanding with the SBA, to

1 team with the veteran coordinator, or create a regional vet
2 coordinator, go in and train the trainer. Train on how to do
3 the technical assistance, work closely, like we do, with the
4 SBDCs. Set up entrepreneurial training programs with the
5 universities. And when that young man or woman gets out of
6 Iraq that wants to go into business, we get them into
7 business and help them access capital.
8 MS. MA: There is a packet B
9 MR. GARCIA: It's everything. But see, it's not
10 happening across the board, in unison. We are doing that,
11 but it's not happening across the board. And I get
12 frustrated, because I just hear the same thing -- all due
13 respect -- at different agencies, but it doesn't come down to
14 grass roots at all, because no one knows how to stick it at
15 the grass roots.
16 MS. MA: Right.
17 MR. GARCIA: And they think it's happening, and
18 it's just not happening.
19 And I'm just talking -- when I met with NASDVA, my
20 counterparts, I was chairman of the National Association of
21 State Directors. And I asked -- and this was about -- when
22 the public law 108 came out 4 years ago, I asked them, "How

1 many of you are doing veteran business development?" Not one
2 hand went up. They hadn't even thought about it because they
3 are too busy doing veteran homes and veteran benefits.
4 Well, now I've got 10 states doing that, okay? And
5 they are doing very good and successful. In the State of
6 Oregon you've got 500,000 from their legislative body to
7 implement a veteran business program. I got 150,000. And so
8 we're doing that. I've got a vet biz coordinator, and I've
9 teamed up with the SBDC to get me a veteran procurement
10 technical assistance specialist.
11 It's almost as though we're doing it by Scotch
12 tape, trying to make it work. When I sit on this committee,
13 and I'm saying, "Man, there is just ways you can make this
14 thing happen a lot easier for me, if the SBA would make my
15 veterans a true priority." It's just not there.
16 And I'm just giving you my personal opinion, as a
17 secretary of veteran affairs and past chairman of NASDVA.
18 It's just not there.
19 MS. MA: Hey, is Jess Knox coming to this meeting
20 at all?
21 PARTICIPANT: Not as we speak, no. He was invited.
22 MS. MA: We're going to call you. And I still -- I

1 want to pick your head.

2 MR. GARCIA: Absolutely. You know, we've got Terry

3 Schow, chairman of NASDVA, going to come in tomorrow. We

4 brought him in. NASDVA has their mid-winter conference.

5 We meet with the same committees you meet with, the

6 veterans affairs committees of the House and Senate, great

7 rapport. But there is B

8 MS. MA: I want to improve this.

9 MR. GARCIA: There is a disconnect. But I am

10 amazed, you know, when I hear there is, at the White House, a

11 veteran coordinator. I mean we never heard that, I never

12 heard that.

13 There is all these things being created, but it's

14 not coming down. And as secretary of veteran affairs for my

15 state -- and I just know if my counterparts were here, they

16 would be saying the same thing -- we've never heard of it. I

17 mean, so B

18 MR. VARGAS: Well, even if you had heard of it,

19 John -- I had heard of him, I met him at a dinner a couple of

20 months ago. Put in calls to him on three separate occasions

21 to talk to him about how we can support him, calls were never

22 answered.

1 MR. GARCIA: We can make it happen. I guarantee
2 you we can make it happen. We can set things in place for my
3 women veterans, my African American, my Native American
4 veterans. A vet is a vet.
5 MS. MA: Right.
6 MR. GARCIA: Don't put us in a category of
7 ethnicity or race or color or creed. A vet is a vet. And if
8 you're going to target vets, then target vets all under one
9 umbrella, one flag. And we will have a very solid program.
10 You know, the young men and women coming out of
11 Iraq and Afghanistan, we've done a great job -- all due
12 respect to a lot of my counterparts -- of creating a society
13 of veterans by helping them get their disability. Because I
14 was telling some of these gentlemen I helped a vet get 50
15 percent. You know what he wants next? Sixty, seventy-five,
16 and then hundred, and then a leather jacket and a Harley.
17 And I have -- out of the work force.
18 I want to create wealth for my veterans, but I've
19 got to have entrepreneur training programs. I've got to tie
20 into the universities to get them to do that. I've got to
21 create business outreach. We've got to create a database
22 where I know where they're at. We've got to get SBA to do a

1 census of who are my veterans, what is this market we've got.
2 Twenty-six million of us? What's our buying power, you
3 know? We are a minority group within a minority group.
4 And the census coming out, we've never even done a
5 census of our community. Who are they? How many people do
6 we employ? How many -- what dollar volume do we generate?
7 We've got to sell that across the street.
8 MS. MA: Absolutely. Okay. Let's talk more, and B
9 MR. GARCIA: I just B
10 MS. MA: Jess Knox is our director of field
11 operations. He is the person exactly in charge of the 68
12 offices across the country. So, you know, he needs to hear
13 from you, all of you, whether, you know, there is issues
14 across your specific regional offices. So I definitely
15 appreciate that.
16 MS. BURDICK: Yes, and I'm just going to try to see
17 if we can come by tomorrow. I mean obviously, we can -- we
18 have to have a -- we should have another meeting specifically
19 on this issue.
20 MR. GARCIA: I would agree.
21 MS. BURDICK: So -- but I think that it's real
22 worthwhile, just to make sure that he hears from you guys,

1 directly, so that he knows what's going on out there.
2 MR. GARCIA: This is whom?
3 MS. BURDICK: Our field director, who is in charge
4 of all the field offices.
5 I mean I also think the regional coordinator idea
6 is a great idea, with our -- you know, we have 10 regional
7 administrators, so we should be able to utilize those -- you
8 know, other B
9 MR. LINSCOTT: One of the contributing -- I believe
10 contributing to the -- this issue has come up before -- is a
11 year ago -- this is a 2,100-person organization, if I have it
12 right. And the annual budget?
13 MS. MA: And the annual budget is a little less
14 than a billion, but that includes our loan programs.
15 MR. LINSCOTT: Sure. So annual budget, a little
16 less than a billion, 2,100 employees, veterans priority.
17 Veterans employ 10 employees. There is not one permanent,
18 dedicated inter-region employee that works the veterans
19 issues. There are some that have them as collateral duties.
20 But a year ago we talked about it. The office gets about
21 $700,000 operating budget, and the agencies $1 billion.
22 My little company is a $1.5 million a year

1 organization, and we employ 8 employees. And we work on $1.5
2 million.
3 MS. MA: How many veterans?
4 MR. LINSCOTT: Six out of eight this year.
5 MS. MA: Is that specifically on -- can I ask what
6 industry?
7 MR. LINSCOTT: Aviation.
8 MS. MA: Aviation.
9 MR. LINSCOTT: But six of eight are veterans,
10 currently. But not -- that's, I think -- I'm not bringing it
11 up as necessarily bad biz for us in the past, but we've
12 brought it up in the past. And I don't know what you could
13 do nationally with 10 employees.
14 I really -- my hat is off to you guys. I've said
15 this before. You're running a national program for how many
16 veteran business owners? One in seven, with about -- I don't
17 know what the percentage of the organizational budget is, the
18 percentage of the organizational manpower. So my hat is off
19 to you.
20 But I think, for what Ron is saying, I think the --
21 as we bring real solutions to the party, one of them has to
22 be manpower, workforce, that needs to be allocated in this

1 direction. Because you really don't have a dedicated veteran
2 business development officer in any one region.
3 MS. MA: Absolutely. But I can tell you that, you
4 know -- from this agency -- that, you know, for many years --
5 not many years, just recently -- was -- there were a lot more
6 people in the workforce. And we are reduced. And we are
7 starting to build it back up. And the motivation can only
8 get you so far.
9 So, one of the things that the administrator has
10 focused on is the fact that we are building this workforce.
11 So I ask for patience, I truly do. And being able for us to
12 build it back up, build it with the appropriate tools that we
13 need out there, always keeping in the forefront that -- along
14 with other constituents -- and maybe next year you could be
15 able to sing a different song.
16 MR. LINSCOTT: I would like that.
17 MS. MA: I would love for you to do it, okay?
18 MR. LINSCOTT: And what do you see on the horizon
19 for the veterans? We just heard about the women's veteran
20 program. That kind of came up fresh to us today. But what
21 do you see on the horizon in the SBA for the veterans,
22 specific?

1 MS. MA: Again, for us, we have been working
2 closely with our office of entrepreneurial development, also.
3 And, you know, Bill and Dick have been working with Penny
4 Pickett, who is our associate administrator there, in being
5 able to bring more training tools, more resources, out to the
6 centers.
7 I think we are looking at revamping some of these
8 centers. There is always the good eggs and the bag eggs, you
9 know.
10 MR. LINSCOTT: Sure.
11 MS. MA: You know, and so I think that the theme
12 for the administrator this year, this fiscal year, is being
13 able to retool, reshape, assess, analyze, fix. And that is
14 definitely something that, you know, we are rolling our
15 sleeves and getting out there, and looking into the programs,
16 analyzing them, seeing what needs to get done, to get fixed,
17 and for it to be able to be a lean, mean, aggressive machine.
18 MS. LYNCH: As you are assessing and analyzing, are
19 there any veterans programs that have received some spotlight
20 attention, either they're doing well or they're doing poorly?
21 Are there any indicators, any pink flags, red flags on the
22 veterans side of the house?

1 MS. MA: You know, at this point we have gotten --
2 I think there is some revisions that we are doing right now.
3 But as to what I can tell you, whether they have a red flag
4 or a pink flag or a white flag, you know, it's still early to
5 assess.
6 MS. LYNCH: I'm just curious as to what's garnering
7 attention. Because I think that can help us understand where
8 there could be resources behind certain priorities, and where
9 we could add value.
10 I mean, we want to add value that is consistent
11 with programs and projects that would get accomplished.
12 MS. MA: Absolutely. Well B
13 MS. LYNCH: Or help fix or shore up or explain some
14 ones that are not as effective.
15 MS. MA: I think this is an opportunity for us to
16 have a discussion later on, in a more informal setting
17 versus, you know, mics and all that.
18 MR. VARGAS: Absolutely. And I -- sorry.
19 MS. MA: And we want conversations.
20 MR. VARGAS: Yes.
21 MS. LYNCH: Absolutely.
22 MR. VARGAS: Well, I think what is very heartening,

1 my perspective, is to hear you say, "We recognize that there
2 are some challenges, we want to fix them." And "I would
3 welcome more dialogue with the committee," is what I am
4 hearing you say. You are kindly offering a monthly
5 teleconference call with us. That's -- if we can work it,
6 that can be a way to continue it.
7 In the meantime, we can do some email work, I mean,
8 whatever is most efficient. The reality is that there are
9 some missed opportunities, I think, that could be taken care
10 of if we have just more -- as the Army says -- more cross-
11 talk.
12 MS. MA: Absolutely.
13 MR. VARGAS: More discussion or coordination here.
14 MS. MA: We are doing a lot of that nowadays.
15 MR. VARGAS: Yes?
16 MS. MA: So there is a lot more coordination, no
17 more silence, you know, within these walls. We're extremely
18 proud of the fact that, you know, not everybody just emails.
19 Everybody just walks across the hallway and says, "Okay,
20 what do you think about this," and we are slowly but surely
21 putting that mentality across the building.
22 MR. VARGAS: But in terms of this committee -- and

1 I know time is precious, you're very gracious in agreeing to
2 going over the time that you have committed yourself to --
3 what do you see as the next step? Where do we go from here?
4 How do you want to do it?
5 MS. MA: This is what I want to do. I will
6 coordinate with Dick and Bill. But I do want to set up
7 within the next three weeks this conversation so we can talk
8 a little bit more, bring in the right folks.
9 You guys have my email from, you know -- the last
10 time I think I passed out my card. But if not, they can get
11 it to you. And shoot to me personally, you know, what's on
12 your mind. What are the hot topics. And then we will meet
13 from there. You know, it's only a half-an-hour, an hour
14 conversation, you can only discuss so much. So from then on,
15 we kind of choose the theme, send it around to everybody, and
16 then be able to talk.
17 And, hopefully, I can bring in the tools in my
18 toolbox to be able to say, "Okay, this is the hot topic, this
19 is the experts that I have here in the building, and how can
20 you help me get these tools out, or how can you help us
21 reshape these tools. Fair enough?
22 MR. VARGAS: That is. Thank you.

1 MR. WHITE: Just to add one quick thing.
2 MS. MA: Yes, sir.
3 MR. WHITE: While you are doing -- you know, we're
4 talking about expanding access to capital, and the loans
5 going through the committee and things, I encourage you -- I
6 don't know if it's already been going on or not, but the
7 Community Bankers Association and the Consumer Bankers
8 Association would be good organizations to get involved with,
9 and then get key bankers involved with spreading the word
10 about how they can make that happen. And they're the ones
11 who can sit right down and tell you, "Here is an issue that I
12 have with doing this." Or, maybe they can just say B
13 MS. BURDICK: The administrator is speaking next
14 Wednesday.
15 MR. WHITE: Good.
16 MS. MA: And we've had, I think, two or three
17 meetings with them already and the other association. I
18 wasn't present, so I'm not sure of the other meetings, but B
19 MR. WHITE: But I mean, just streamline B
20 MS. BURDICK: But definitely B
21 MR. WHITE: -- getting the preferred lender status
22 would cut down on all the paperwork.

1 MS. MA: Absolutely. That is the discussion we
2 have B
3 MR. WHITE: Yes, cool.
4 MS. MA: Ladies and gentlemen, thank you so much
5 for your time.
6 MS. BURDICK: Thank you.
7 MS. MA: Good to see you.
8 (A brief recess was taken.)
9 MR. VARGAS: We are running a bit behind, and we
10 don't want to tie up too much. So I know we're missing
11 Steve, still, but I think we should make an effort to stay
12 pretty much on schedule.
13 Mr. Calvin Jenkins is the deputy associate
14 administrator for government contracting and business
15 development. Boy, that's a big, big target there, if you ask
16 me. He claims he's not related to Billy, though. In fact,
17 he disassociated B
18 (Laughter.)
19 MR. JENKINS: That's right.
20 MR. JENKINS: That's okay.
21 MR. VARGAS: A little humor here to kind of wake us
22 up in the afternoon.

1 Well, Mr. Jenkins, we are delighted you could join
2 us. Appreciate you making the time to come see us and tell
3 us what's on your mind. And we've got a couple of thoughts
4 that, hopefully, will be useful to you.
5 MR. JENKINS: Okay, great. No, I really appreciate
6 you guys inviting me here today, and being able to talk about
7 -- a little bit about the office of government contracts,
8 what we do, and then delve in a little bit, in terms of the
9 goals, the service-disabled veterans' goals, and what we are
10 trying to accomplish in those areas.
11 Our office of government contracts basically have
12 three major sub-offices under the umbrella office: the
13 office of HUB zones, the office of government contracting,
14 and the office of business development, which commonly
15 represents our 8A program.
16 And our office of government contracts is where we
17 have all of our procurement-related responsibilities.
18 Through that, primarily we work through our procurement
19 center representatives, our PCRs. They are the ones who
20 monitor the efforts of the federal agencies to ensure that
21 they are putting -- creating an opportunity for small
22 businesses within their agencies.

1 One of our responsibilities also is to negotiate
2 the government-wide goals with the federal agencies. There
3 are about 24 agencies that represent about 98 percent of
4 total federal procurement. We actually negotiate with each
5 of those agencies to get to the government-wide goal of 23
6 percent for small business, 5 percent for small disadvantaged
7 business, 5 percent for women-owned small business, 30
8 percent for service-disabled veterans, and 30 percent for HUB
9 zones.
10 Unfortunately, over the last seven or eight years,
11 there has only been one goal that has been consistently met,
12 and that's the small, disadvantaged business goal. That --
13 those have been met primarily through the 8A program, and the
14 tools and the authority under that program, which gives
15 contracting officers the added ability to award sole-source
16 contracts below a certain dollar threshold.
17 One of the things that Administrator Mills had done
18 this year is make it our number one priority, that we work
19 with the federal agencies to ensure that they meet all of the
20 small business goals. It's really a very high bar she set,
21 and that includes the service-disabled veteran goal. But
22 that is our number one priority. That requirement is in my

1 personal business commitment, it's in -- Joe Jordan, who is
2 the political head of our office, as well as all of our
3 program offices below us.
4 And so, it filters down to our procurement center
5 representatives, and to our entire staff, to work with the
6 agencies to develop strategies, to develop oversight
7 mechanisms to ensure that they are really putting forth a
8 good faith effort.
9 The 2009 data indicates that service-disabled
10 veterans did about $8.78 billion, or 2.2 percent. That
11 certainly, if you compare it to back in 2001, where the
12 number was about $554 million and .25 percent, there have
13 been significant increases. But again, we still fall short
14 of the three percent goal. And that's been our challenge,
15 working the agencies to find out exactly what are their
16 challenges in meeting the goals.
17 And I think that is where SBA can be the most
18 effective, because in looking at our regulations as it
19 relates to small businesses, looking at our various programs,
20 by hearing from the agencies and finding out what their
21 challenges are, we may be in a position of modifying,
22 revising our regulations to try to take out any kind of

1 challenge they have in meeting the small business goals.
2 One of the things we have certainly heard is that
3 the standards does not adequately reflect how businesses
4 operate. And so we have begun -- and currently are underway
5 -- a comprehensive review of all of the SBA standards, to
6 ensure that they adequately reflect the current purchasing
7 patterns, especially within the federal government. So, I
8 suspect there will be some changes there, and probably SBA
9 would be, in most cases, raising the standards in a lot of
10 these industries.
11 We also -- and I know it's one of the
12 recommendations that you have in the report -- talk about the
13 issue of parity. Parity has been a challenge for us. It's
14 something we have pushed through the federal agencies for a
15 while. And a lot of agencies have resisted our position on
16 parity.
17 And we finally, about a year ago, got sort of an
18 endorsement on our issue of parity from the Department of
19 Justice, as well as the Office of Federal Procurement Policy,
20 which indicates that SBA has the authority to implement its
21 programs, and to interpret the legislation for implementation
22 purposes. And we believe parity was important.

1 And parity, the reason why we believe it was
2 important, is because we have five different categories that
3 we're responsible for, which result in these five goals. And
4 the question is, well, how do you pit one over the other?
5 They are all important, when you look at the different
6 categories that we are trying to assist. But what signal are
7 we sending to the contracting officers? What should they do?
8 And so, what we tagged parity to is our goaling
9 process. SBA, as you know, created a score card in which we
10 scored the federal agencies. A couple of years ago we
11 established this process to really make it visible, which
12 agencies were meeting the goals, which were coming short, and
13 the reasons why.
14 But parity became important because what we wanted
15 the agencies to do was look where they're short. If they're
16 meeting the SDB goals but coming short in service-disabled
17 veterans, then stop putting -- loading up the SDB side, and
18 put contracts in service-disabled veteran side or the HUB
19 zone side.
20 And that's why parity became a key for us, because
21 it really went hand-in-hand with the score card. It kind of
22 took an excuse away from the Agency, "Well, we don't really

1 know which way to go. SBA, you have all these programs, but
2 which way should we really go?" So, that's why parity was
3 key for us.
4 So, we really -- what our PCRs have done -- and we
5 kind of change how they operate -- procurement center
6 representatives are very key to our whole oversight of the
7 other federal agencies. One of the authorities SBA has is
8 the ability to question a contracting officer when they wish
9 to set aside a -- award a contract for other than small
10 businesses, or put something out full and open, when we
11 believe it should go small business set-aside.
12 We have the ability to stop that procurement, and
13 question the contracting officer's market research, and
14 question his findings as to why he wants to go full and open.
15 And so, in a lot of cases, we would issue what we
16 call a form 7 appeal, in which we stop the procurement,
17 regardless of what the government is buying. We have the
18 ability to stop that procurement, look at the contracting
19 officer's findings. And then, in a lot of cases, we find
20 they don't do their homework, they don't do all that is
21 necessary to look for small businesses.
22 We have actually taken it a step further. Once we

1 have introduced the score card, and once we took the position
2 on the parity issue, we now have our PCRs looking beyond just
3 setting aside for small businesses.
4 Once we at least get it to that point with the
5 contracting officer, that it should go to small businesses,
6 we further question the contracting officers, whether they
7 reviewed it and did the market research, as it relates to one
8 of the categories either in the HUB zone program, the
9 service-disabled veterans, or for the 8A program. We
10 question whether or not they actually did the market research
11 to support it, and how does it match up against their goals.
12 So, for example, if our PCR goes in there, and
13 argues that it should go small business set-aside, they find
14 that there are two or more service-disabled veterans that can
15 do the job, our PCRs are pushing that they set that contract
16 aside for service-disabled veterans, especially if we can
17 show the Agency that they are coming short in that particular
18 area. That has sort of been effective, and we're sort of
19 getting the attention of a lot of the contracting folks.
20 As I was speaking with Felix earlier today I
21 mentioned one of the challenges we have in the federal
22 government arena is that the contracting officer professional

1 is probably the most understaffed position in government.
2 Agencies such as the Department of Defense have indicated
3 they are going to hire thousands more of these individuals to
4 do the contracting. Homeland Security struggles to keep
5 experienced contracting officers.
6 We hire from that same pool who represents our
7 procurement center representatives. And, believe me, we try
8 to maintain 66 of these individuals around the country. And
9 it's a challenge, just to hire -- we at, I believe, 59, 60
10 now -- just getting those other 6 is a challenge, because the
11 other agencies are pulling from there.
12 The greatest challenge is that you bring new people
13 in to this profession that may not have the sensitivity to
14 small business procurement goaling, social economic programs
15 that are -- that their agency is responsible for making,
16 compared to those who used to be in there, who had that
17 sensitivity. And so, we are finding ourselves retraining
18 this whole new group that is coming in, not to be contracting
19 officers, but to be sensitive to the small business
20 procurement.
21 And so, we have been challenged by our office of
22 inspector general to develop training programs for

1 contracting officers, so that they are fully aware of part 19
2 of the FAR, that they are documenting their files, that they
3 are doing the necessary market research, that they are doing
4 all they can to ensure that small business gets a fair
5 opportunity.
6 So, that's been sort of our push over the last
7 year, and certainly going into the new year, is to really
8 find ways in working with the agencies -- have more match-
9 making events, to find ways to meet all of these procurement
10 goals, but especially those -- that of service-disabled
11 veterans.
12 When we look at the two that are struggling, it's
13 service-disabled veterans and the HUB zone program. And
14 certainly we have some challenges on the HUB zone program,
15 from the standpoint of the GAO going out and doing audits,
16 and finding a lot of fraud in the program. And so we're
17 spending a lot of time and resources shoring up that program
18 to eliminate fraud, to improve the certification process
19 there.
20 I know there has been talk that SBA should do more
21 in terms of certifying service-disabled veteran-owned firms.
22 We certainly have not yet run down that path, or received

1 any resources to do that, but it's something that we are
2 certainly concerned about, how accurate is the data that's in
3 the federal procurement system.
4 We run reports, the office of federal procurement
5 policy requires agencies to certify the data. We still find
6 problems. We find problems in just about every one of the
7 categories, where the data is just not accurate. It's a lot
8 better than it was 5, 10 years ago, but it's still not
9 accurate.
10 In 2005, after we found a number of problems in the
11 data, the federal government had to repost the small business
12 achievement, in which almost $5 billion was dropped out of
13 the small business side. We think some of that is certainly
14 still out there.
15 But on the other hand, we also find where they're
16 under-reporting, and so it's a question of how accurate truly
17 is this data. And so we're working with the Office of
18 Federal Procurement Policy to kind of put some additional
19 tools in that the agencies can use to kind of flush through
20 the data a lot better before we actually go official.
21 The 2009 data has not been made official. And part
22 of the reason is, even though the fiscal year ended September

1 30 , is that the agencies have to go in there and certify
2 the accuracy of the data. A lot of the agencies may certify
3 90 percent, or that they've done the best that they could to
4 -- of the accuracy of the data. And as I mentioned, we still
5 know that it's not 100 percent. But it's a lot better. Not
6 100 percent.
7 And so, we still have a lot of effort in this area
8 to ensure the government is, in fact, putting out accurate
9 data on what small business is getting.
10 I have a tendency to talk a lot, so I'm going to
11 allow you guys to ask any questions that you might have of
12 me, or what we are doing in this particular area.
13 MR. VARGAS: Folks?
14 (No response.)
15 MR. VARGAS: Well, let me start by thanking you for
16 this. This is very enlightening.
17 So, your most recent score card for government
18 agencies' performance is, what, 2008?
19 MR. JENKINS: 2008, I believe. I think you guys
20 will probably get a copy tomorrow.
21 MR. VARGAS: YES.
22 MR. JENKINS: But I believe 2008 is the latest one

1 we have, because we have not gotten the 2009 official data.
2 MR. VARGAS: And that won't happen until later this
3 year?
4 MR. JENKINS: Later this year, yes.
5 MR. VARGAS: Okay. On the recommendations on
6 government contracting and procurement, we stated that the
7 administration should issue an successor executive order to
8 13360. What are your thoughts on that?
9 MR. JENKINS: Well, I will give you my personal
10 thoughts on that, because I certainly at this point have not
11 discussed this with the administrator. But I think anything
12 that the -- that we can do within the administration is
13 helpful.
14 I can only give you an example to kind of
15 illustrate this. When we first issued the score card in 2007
16 -- I believe it was, the first one we got out -- we heard
17 from chiefs of staff at various federal agencies. And one of
18 the chiefs of staff actually indicated that they had no idea
19 that there was a service-disabled veteran-owned goal. No
20 idea. And this was at a very high level within a federal
21 agency.
22 It did give visibility of these goals, and the need

1 to achieve these goals. So I think anything that we can do
2 to make the agencies aware that they have a responsibility to
3 help in this area -- a lot of agencies will fall back on the
4 mission of the agency and say, "Well, our primary purpose is
5 the mission of the agency."
6 We believe both can be achieved, that the mission
7 can be achieved at the same time that they can do all they
8 can for small businesses, especially when we see all of the
9 benefits in working with small business, and especially the
10 commitments that need to be made to service-disabled
11 veterans.
12 MR. VARGAS: So I think you would agree that
13 issuing a successor EO or -- again, under the President's
14 signature -- would be a good thing?
15 MR. JENKINS: Yes. Again, I think anything that
16 the President could send out, or that the administrator and
17 those that are in position would definitely be helpful.
18 MR. VARGAS: Well, why haven't you raised this with
19 the administrator, if it makes sense, if it's helpful, which
20 you say and which we -- I, for one, agree it would be helpful
21 -- why wouldn't this be advanced to the administrator to
22 propose to the White House?

1 MR. JENKINS: Right. I don't know if it hasn't.
2 That's why I said I haven't had any direct conversations. I
3 know we have been working very hard with the agencies
4 regarding these goals, and the score card version that you
5 will see probably tomorrow will be changed. We are changing
6 the score card, we are putting more requirements on the
7 agencies, we are trying to get more visibility.
8 So, our approach has been from the goaling process
9 at this point.
10 MR. VARGAS: Okay. All right, we've got some
11 veteran-owned small business owners here who know contract
12 and procurement right up close. So would they like to use
13 this opportunity with Mr. Jenkins to voice some concerns or
14 some ideas?
15 PARTICIPANT: Yes, I can speak on Dallas, or Texas,
16 for that matter. They have no idea of any type of HUB --
17 veterans goals at all, whether it be service-disabled or
18 whether it be veteran in general. Their main push has always
19 been, hey, let's push HUB zone, let's push HUB zone. And are
20 you certified as an 8A, or this, that, and the other.
21 But when I say, "Hey, I'm a service-disabled
22 veteran-owned business," they look at me, "So?" So, how do

1 you go about getting that word out? Or are you actually
2 looking at those tools to -- you know, because enterprise has
3 no problem getting word out. I mean, they've got something,
4 they've got a product, they go out and say, "Here it is."
5 PARTICIPANT: That's exactly right.
6 PARTICIPANT: So why is it you guys have all this
7 money? Why don't you use some of that money and actually
8 have a tool that you're able to use to get that word out to
9 those -- within your agency.
10 MR. JENKINS: Right. Yes, I agree. And we are in
11 the process. We are -- we've begun the process of retraining
12 the SBA, the entire SBA. We've begun the process about a
13 year ago. And Administrator Mills has continued it. All of
14 the executives are going through training. All of the -- our
15 managers are going to be going through training.
16 We, within the office of government contracting and
17 business development, will be conducting training courses.
18 We are pulling our procurement center representatives into a
19 nationwide training session. We are pulling in our business
20 development specialists in the district offices into a
21 training session. All of our PCRs will have a responsibility
22 within their performance plan to train agencies that are

1 under their authority. So, the PCR who is responsible for
2 NASA has to train NASA contracting officials on small
3 business programs.
4 So, we are beginning that effort. And we have
5 begun it. And this year we hopefully will try to get as much
6 of it accomplished as possible. But we agree 100 percent.
7 There has to be some visibility. There has to be some
8 training. And we have to work with the agencies.
9 Years ago, SBA was viewed as an impediment to a lot
10 of the federal agencies. And we have been trying to change
11 that view, that we -- we're going to work as a partner with a
12 lot of federal agencies, work with the strategies. But at
13 some times we're going to come to heads.
14 I was on the phone early this morning, where we
15 have issues of contract bundling. We have issues of where
16 agencies don't want to set aside contracts with small
17 businesses, and we have to encourage them -- and, you know,
18 use the stick and use the carrot and the same approach. And
19 in a lot of cases, we are getting some results, as a result
20 of that.
21 But there still needs to be a lot more education to
22 folks on what this is, why is it important, and their

1 responsibility within it.

2 MR. VARGAS: Well, again, it would be helpful if we

3 had some direction, some mandates, an order from the top

4 down. Because trying to cajole, persuade, engage folks

5 across the board will always give you a mixed bag, in terms

6 of results.

7 But it's important that the administrator, it's

8 important that the President, you know, be a little vocal on

9 this.

10 MR. JENKINS: Yes, yes. And I believe that's

11 happening. And also, I believe the executives orders that

12 are on the -- that have been issued are, for all practical --

13 are still in effect. And we do still refer to them. But

14 certainly it's always good to refresh and remind folks of

15 what's needed.

16 MR. VARGAS: Yes, well, that would be helpful.

17 Yes.

18 MR. CERVANTES: Mr. Chairman, just one point. I

19 worked on the executive order and also DoD's strategic plan.

20 The one area that, if you go forward, that I would heavily

21 endorse would be that the progress made on service-disabled

22 veteran-owned small business percentage increases be part of

1 the personnel evaluation.
2 We tried to get that done, you know, every -- the
3 GS scale, and there was massive pushback, primarily from the
4 labor unions, saying that you're interfering with the regular
5 personnel evaluation. And highlighting how one does with the
6 service-disabled veteran-owned numbers, which are miserable,
7 just doesn't fit the overall scheme of things. We tried.
8 Massive pushback.
9 MR. JENKINS: Yes. And I mean that's a good point.
10 I mean, one of the things that creates a challenge is, even
11 though when I talk about contracting officers, and the lack
12 of experienced contracting officers' need for training is
13 contracting officers are just middle people. They are middle
14 man in between the customer and the supplier. And a lot of
15 times they get influenced by the customer.
16 I always use this example when I talk with small
17 businesses. No contracting officer will get in trouble if
18 they select IBM and IBM failed. Who would have thought it?
19 If they select a small business, service-disabled veteran,
20 HUB zone, 8A, and they fail, they're generally brought to
21 task. "Why did you pick that?" And it's usually coming from
22 the customer, the one who is actually paying for the

1 requirements.

2 So, we have to get to the customers, as well. They

3 have to be part of the responsibility to want small

4 businesses, to want service-disabled veterans to be part of

5 the procurement, not just the responsibility of the

6 contracting officer.

7 And so, having those kinds of requirements could be

8 beneficial.

9 MR. VARGAS: Thank you, Charles. Good point. But

10 it just goes to show you how good ideas run into a buzz saw

11 when you deal with bureaucracy.

12 Set-aside work, including sourcing on small

13 contracts 100,000 and below, would do much to help the newer

14 veteran-owned small businesses get a start. And it's often

15 taking that first step, which is the most challenging. But

16 once you do it, and you get that past performance, you do a

17 good job, you know, you are okay.

18 But why can't we bring a little more, you know,

19 out-of-the-box thinking here into how we can use the

20 contracting mechanisms that we have to enable legions of

21 untried but sincerely interested veteran-owned small

22 businesses to get a start?

1 MR. JENKINS: Well, I think the tools are in place.
2 I think the tools are there. We have to get to, "So why?"
3 The why. Why aren't they being used to the degree that will
4 help meet these numbers? And I think that's what we are
5 trying to get to. We believe contracting officers have the
6 tools, they have the authority to award the contracts to
7 service-disabled veterans. They have the tools.
8 If I compare it to, let's say, small women-owned
9 businesses, there is no true tool there. We are in the
10 process, hopefully, of building a tool this year, and getting
11 that out. But there is no tool.
12 So, the contracting officer is left for chance, in
13 that particular category, to put contracts out in a small
14 business set-aside, or as full and open, and hope enough
15 women would bid and win the contracts. Here, they have the
16 tool. The authority says if there are two or more service-
17 disabled veteran-owned firms, I can set that aside for them.
18 I don't have to go anywhere else. I can set it aside.
19 So, we have to figure out why they are not using
20 this tool, because it's one of the most powerful tools out
21 there.
22 MR. VARGAS: Absolutely, absolutely. Comments?

1 Questions?

2 (No response.)

3 MR. VARGAS: Let me ask you, Mr. Jenkins. Do you

4 have the authority to summon other agencies to meet with you

5 to discuss these issues?

6 MR. JENKINS: We, in fact, do. Under the -- under

7 our statute, we have something called a procurement advisory

8 council. We meet monthly, and we meet with all of the office

9 of small and disadvantaged business utilization specialists

10 of all the agencies. And, generally, we meet in this room or

11 in the Eisenhower conference room.

12 MR. VARGAS: It's a procurement advisory council?

13 MR. JENKINS: It's a procurement advisory council.

14 MR. VARGAS: How many people sit on that?

15 MR. JENKINS: It's -- all of the 24 agencies are

16 allowed to sit on it. The administrator is the chair. The

17 administrator of SBA is the chair of that. We task out

18 things to the group. We discuss all of the issues. We talk

19 about the procurement integrity, meeting these goals, the

20 score cards B

21 MR. VARGAS: These are the federal agencies?

22 MR. JENKINS: Federal agencies.

1 MR. GARCIA: And it's their procurement head for B
2 MR. JENKINS: Not procurement head, but their
3 offices of small and disadvantaged business utilization.
4 We really don't have authority to pull in the
5 acquisition community. That comes under the office of
6 federal procurement policy. So they have a group called the
7 office of chief acquisition officer. And they meet, I
8 believe, on a monthly basis. I believe -- actually, I had
9 some folks over there today.
10 MR. GARCIA: How difficult is it to have the chair
11 of this advisory board attend that procurement council
12 meeting?
13 MR. JENKINS: I think maybe just have a request
14 come in to Joe Jordan, who is the -- and who would certainly
15 get that up to the administrator.
16 MR. VARGAS: I should go to that.
17 MR. JENKINS: YES, we B from time to time we have
18 had -- pulled in outsiders into the group to at least discuss
19 issues. And I think it's worked very effective.
20 MR. GARCIA: YES.
21 MR. JENKINS: I think you won't have a lot of
22 pushback from the individuals who are going to be in the

1 room.

2 In fact, from time to time, we leverage the

3 individuals in the room B

4 MR. GARCIA: Sure.

5 MR. JENKINS: -- as best practices.

6 MR. GARCIA: Okay.

7 MR. JENKINS: We pick and agency and say, "Okay,

8 you are meeting your goal. Tell the rest of them why and

9 how," and that's been helpful --

10 MR. GARCIA: Okay, but do you bring in, like,

11 someone, like, from this committee, or someone at the grass

12 roots to hear what's happening at the grass roots level?

13 MR. JENKINS: We have not brought in, let's say, a

14 public. But I don't view this group necessarily as a public

15 group for you.

16 MR. VARGAS: Well, no, no. Absolutely. I daresay

17 there will be someone who will say, "Well, this is" -- yes,

18 the advisory committee is semi-official, and we're talking

19 about an internal inter-agency meeting, so it may or may not

20 be appropriate. But hopefully that wouldn't be B

21 MR. JENKINS: Yes. I mean let's say -- I mean if

22 it's issues of policy being discussed, certainly we could --

1 those conversations wouldn't be held while, you know, you
2 would be in the room.
3 MR. VARGAS: Yes.
4 MR. JENKINS: But I don't see B
5 MR. VARGAS: One of the reasons I was -- I asked
6 that question is I would like to think that this advisory
7 committee, if it were to invite representatives from other
8 agencies to come here and discuss with us, informally, you
9 know, ways to improve the performance of meeting SDV goals, I
10 don't have the confidence that they would say, "Why, sure,
11 Mr. Chairman. We will drop whatever it is we're doing, we
12 will come aboard. We will schedule some time at your next
13 meeting, and go."
14 I just don't have that confidence. I would -- the
15 skeptic in me would say, well, you know, they are going to
16 decline because they don't see us as a priority.
17 What kind of support can we get from the SBA so
18 that when these invitations are issued -- in your case in
19 point, I mean, I invited a labor representative here, and was
20 told that, you know, if you do it during a certain time in
21 February, they could do it. Well, we did it during a certain
22 time in February, 18th and 19th, and they said, "Well, sorry,

1 we're going to be out of town."
2 So, we get blown off this way. And I would like to
3 think that we have some support within SBA so that if we want
4 to call -- I'd really like to get a DoD representative here
5 to engage us in a dialogue on contracting and procurement
6 policies, practices, and performance. And I would just like
7 to have some sense of confidence that they would actually
8 show up.
9 MR. JENKINS: Show up, right. Yes. I think on the
10 most part they would. I certainly would leverage or speak
11 with Ana Ma, as chief of staff, because she has access to
12 their chiefs of staff.
13 MR. VARGAS: Excellent.
14 MR. JENKINS: And can really, you know, impress how
15 important this is to them.
16 MR. LINSCOTT: Does your office work the protest
17 issues when they arise?
18 MR. JENKINS: Yes, yes.
19 MR. LINSCOTT: That deal with contracting? Has
20 there been -- is it still the burden of proof on the
21 protestor for size?
22 MR. JENKINS: Yes. The protestor has to be

1 specific in what the protests -- what they're alleging. For
2 example, they can't just say, "I believe this company is not
3 small." They really have to give us some specificity as to
4 why. You know, "They do all their contracts with Lockheed,
5 and therefore, they're a subsidiary of Lockheed," something
6 that gives us the ability to really start to dig into it.
7 MR. LINSCOTT: And is that, on the West Coast,
8 still handled through San Francisco, the Oakland, San
9 Francisco area there?
10 MR. JENKINS: Yes, it's probably handled -- the
11 West Coast, San Francisco, we have six area offices. And
12 each has a geographic area. And whatever size protest,
13 depending on the location, would go to one of those. But San
14 Francisco handles the entire West Coast. Yes.
15 MR. LINSCOTT: Then what about -- is there any
16 vehicle in our current system -- we heard today kind of a
17 sometimes common theme is small business gets the job, then
18 gets bought out by the big business who takes over the job.
19 And is there a tenure requirement, if you get the contract,
20 that you have to -- or the second in line small business
21 would get the -- like, say in your example, you had two
22 disadvantaged small businesses, in order to allocate it that

1 way.

2 MR. JENKINS: Right.

3 MR. LINSCOTT: And if business one didn't want to

4 continue with the contract, then the other one, or another

5 one, would get a chance to take over that contract, in lieu

6 of a big business getting the real work?

7 MR. JENKINS: No, not that I am aware of. Pretty

8 much how it works is -- and that's been part of our challenge

9 with the accuracy of the data -- as small businesses become

10 successful and are attractive to a big business for

11 acquisition, the contract in the past, prior to 2007, was

12 hard-coded in the federal system as a small business.

13 Let's say the small business one has a small

14 business set-aside. Large business comes in, purchases that

15 company. That contract, for the life of it, will still be

16 hard-coded as a small business set-aside. And the agency was

17 getting credit, small business dollars, even though the large

18 business had purchased it three years ago.

19 We changed the rules and said we will no longer

20 allow that to happen, or allow the contracting officers to

21 take credit as small business, if an acquisition occurs. If

22 a small business just outgrew itself within five years, we

1 will allow that to happen, because we didn't want to stymie
2 someone's business decision to grow and to go after new work.
3 But if they are acquired by a large firm, they have to
4 recertify to the contracting officer within 30 days that they
5 are no longer small. And, going forward, the contracting
6 officer can't count that as small business dollars.
7 What that could do in some cases -- it doesn't
8 automatically mean the contracting officer has to terminate
9 that contract. But it -- thinking that they have to meet
10 their goals, they might no longer exercise the option and
11 say, "You know what? That used to be with a small business,
12 a small business can do it. At the end of this option, or at
13 the end of the base year, I'm going to re-compete it, so that
14 small business can get an opportunity to get it again," and
15 they get credit towards the goals. So B
16 MR. LINSCOTT: That is perfect, to me.
17 MR. JENKINS: YES, that was a major change in the
18 federal procurement. Since day one, it was always hard-
19 coded.
20 MR. LINSCOTT: Congratulations. That's a victory.
21 MR. JENKINS: Talk about a lot of agencies'
22 pushback, but we finally got it. And we're evaluating the

1 data to make sure that they are, in fact, recoding these
2 contracts.
3 MR. VARGAS: Okay. Folks, any other comments?
4 Jathan, anything? No?
5 All right. Well, Mr. Jenkins, thank you so much.
6 MR. JENKINS: Okay, sure.
7 MR. VARGAS: I appreciate your making the time and
8 B
9 MR. JENKINS: No problem.
10 MR. VARGAS: -- joining us, and your flexibility,
11 and allowing us to talk to you well past the time that you
12 are scheduled B
13 MR. JENKINS: Oh, no problem at all.
14 MR. VARGAS: All right.
15 MR. JENKINS: No problem at all.
16 MR. VARGAS: Thank you so much.
17 MR. GARCIA: Are we going to have public comments?
18 MR. VARGAS: Yes. Yes, we are. We are going to
19 have a public comment next.
20 (A brief recess was taken.)
21 MR. VARGAS: Charles Cervantes, the former top gun
22 in DoD on a lot of this attention on the service-disabled

1 veteran-owned small businesses contracting and procurement,
2 has been inordinately silent. I have never seen him so
3 silent. But then I understand he's one of these old airborne
4 guys who looks and says, "Hey, I don't speak until it says
5 public." And now that he is out of government and in the
6 public sector, he is biding his time.
7 But I thought it would be useful, Charles, if you
8 could just share with us your thinking. You've had a lot of
9 experience on all of these issues. Any advice that you have
10 for this committee? Any thoughts?
11 MR. CERVANTES: Yes. And I have usually been on
12 this side of the table, testifying on behalf of the
13 Department of Defense. I will just give you a little
14 background that I gave to Billy earlier. But I graduated
15 from the University of Texas in 1969, and in the summer I
16 enlisted in the Army National Guard, which turned out to be
17 an airborne National Guard, and went through basic training
18 at Polk, and jump school at -- I did injure my knee there --
19 and rehab at Fort Sam.
20 And I am going through the process of getting my
21 records and everything, but it's probably going to take three
22 years, is what they told me. So I'm a little disappointed

1 there. I will just probably go with an SB instead of
2 anything else, because it's just torture. But Billy is going
3 to help me.
4 At any rate, I am a lawyer, I went to law school,
5 and I used the National Guard check to pay tuition -- and it
6 always came. And then I got a job in Washington. I have
7 three tours of service in the general counsel's office in the
8 old HEW. I was a counselor for legal affairs to an
9 ambassador at large in the State Department, and that's when
10 I met Felix. We were both in high-level policy decision-
11 making at that time.
12 MR. VARGAS: This was in 1979.
13 MR. CERVANTES: The last year was 1980, 1981. At
14 any rate, and then I took a position. I left. I was general
15 counsel for several trade associations, business associations
16 and chambers of commerce who all want business ranks.
17 So, after the second request, I decided to go to
18 work for DoD. And they said, "Well, we want you to stand up
19 the service-disabled veteran-owned small business program,
20 because we've got a statute, and nothing is happening. I
21 said, "Sure."
22 So, I was in a position at that time, with my

1 practice, to go. And I really loved what I did. I worked on
2 the executive order 13-360. Scott Denison and I had numerous
3 inter-agency meetings to help people get a handle on
4 strategic plans. I am the author of the DoD strategic plan.
5 I got Under Secretary Wynn to sign it personally in front of
6 me, and then his successors, Ken Krieg and Jim Finley, and
7 organized the first Las Vegas conference. And then later, a
8 different one in Dallas for service-disabled vets,
9 exclusively.
10 Under the ethics code -- you know, I can go back to
11 DoD -- it's actually a year and a month. I do have a
12 business. You know, it's CCR. I didn't bring a bunch of
13 business cards, but I will give one to Felix.
14 MR. VARGAS: I've got your card, Charles,
15 so B
16 MR. CERVANTES: Well, okay. Just -- I've got
17 numbers on the back of these other ones. They are now --
18 since I got in without having to -- I will give some out.
19 But B
20 MR. GARCIA: No girlfriends?
21 MR. CERVANTES: Girlfriends, yes, sure -- she is a
22 redhead. She may not be your type.

1 (Laughter.)

2 MR. CERVANTES: What I've done, and when I met

3 Felix again at DoD, I was very impressed with Felix. And he

4 said, "Charles, all I want to do with my career, after being

5 a career diplomat, is help with service-disabled vets." And

6 by golly, he has done that, because he is here.

7 And that's what I want to do. I'm not getting paid

8 by anybody. I'm not on salary from anybody. I'm here on my

9 own time. I did have to go home and go to the office and do

10 some business calls. But I expect to continue to do this

11 until I am pushing up daisies, because I believe in it. And

12 it needs a lot of work. Needs a lot of work.

13 I will just make one more mention of some of the

14 things I did do. I did work on the FAR part 19. We had the

15 inter-agency committee at DoD, brought everybody over, and we

16 parsed it, we looked at the rule of two. I've gone through a

17 number of iterations on the application of the rule of two,

18 including the Air Force decision out in Colorado on the

19 porta-potties.

20 Well, GAO has reneged on that. They've taken it

21 back. They're saying they've made a mistake. Just to let

22 you know, okay? And so they don't like --

1 MR. JENKINS: Put it in writing yet?
2 MR. CERVANTES: YES. I will share it with you.
3 MR. JENKINS: YES.
4 MR. CERVANTES: Yes. I don't know who it is over
5 there, but they're not honoring a previous decision.
6 PARTICIPANT: Porta-potty?
7 MR. CERVANTES: Yes, they were set aside for two B
8 MR. WHITE: Was that just in the paper the other
9 day, Porta-Pottiegate?
10 MR. CERVANTES: No. What happened was two -- they
11 set it aside for two service-disabled vets.
12 MS. LYNCH: Yes.
13 MR. CERVANTES: One of them decided to pull out,
14 because they had other things to do. And they awarded -- and
15 the contracting officer said, "Oh, no, you've got to have --
16 the two have got to stay in there."
17 And GAO came in and said, "No. If there were two
18 at the beginning, and one of them pulled out for whatever
19 reason, you can award it to the one that remains as a sole
20 source." And that was a published opinion. And for some
21 reason they have said in two opinions, "We made a mistake.
22 We don't want to do that any more."

1 That's not why I'm here. I am working with a
2 number of people -- and this has an immediacy to generate
3 business -- working with a group of business men and business
4 women in the PTACs at George Mason University, which is only
5 on the other side of the river.
6 I don't know if you're familiar with PTACs, but DoD
7 finances 50 percent of them. They're procurement technical
8 assistance centers. Most of them are located on
9 universities. This one is at GMU, it's a really good one. I
10 mean they do their work for free.
11 And so, last December, five of us, including a
12 board member of a community bank, the John Marshall Bank, who
13 happens to also be on the board of the visitors -- the
14 business school, and helped appoint the new dean at the
15 business school, and myself, a former deputy assistant
16 secretary of the Navy, and former comptroller, we want to put
17 together a small business summit, probably in May or June.
18 Why May or June? Congressman Moran is having a
19 conference on procurement in March. Dean Koppel is going to
20 speak. The RSTBUs have their big massive thing in Dulles in
21 April, the 21st. Our vet conference in Las Vegas is in July.
22 So you don't want to compete with B

1 MR. LINSCOTT: When is small business? May, isn't
2 it?
3 MR. CERVANTES: Is it May?
4 MS. SIMMS: YES.
5 MR. CERVANTES: Well, maybe June would be the -- we
6 don't want to compete with the same customer base.
7 And it's not going to be any of the subcategories,
8 because parity is in. I have been tracking what they did.
9 And OMB and OFPP and the attorney general were right to tell
10 GAO, "We say it's parity, it's parity." And parity affects
11 service-disabled vets, because if you look at the score sheet
12 -- and I was on the other side of those score sheets all the
13 time -- you know, they react to that.
14 Jim Finley was furious that we got -- what can we
15 do about it? Well, I will go into that later. But my
16 proposal, and I think we have bankers -- let me see, I had to
17 jot it down -- we can get representatives from community
18 banks, because they want to lend money. That's what they
19 want to do, especially if it's 90 percent guaranteed with no
20 fees. I mean, duh, you know? It's business.
21 MR. GARCIA: You would think so, but B
22 MR. CERVANTES: You would think so, yes. But

1 procurement, we would like to focus -- since there is going
2 to be a PTAC center and kind of a small business development
3 center out in the Manassas campus, that's what they do. And
4 this would be some training. But, you know, I've done this
5 in my sleep for 11 years, you know, putting together the
6 conferences, the speakers.
7 What we are going to do is we are going to meet
8 next week with our critical mass group of five people: a
9 banker, a former deputy assistant secretary, myself, and --
10 oh, there is a representative from a prime, a large prime who
11 is located in Northern Virginia. I won't make the name --
12 because we're not there yet. But they have tentatively
13 agreed to be there.
14 Why primes? Subcontracting. That's how you get
15 your start. You get a sub.
16 So, my proposal to the board is that if you're
17 interested, it's going to be on the other side of the river.
18 Now, there is one additional component -- two more
19 -- that are worthy of mentioning. The new governor there is
20 a military guy, a national guardsman. And they run a very
21 large procurement program, state procurement. The metro is
22 going to build a $9 billion line from -- I think it's Vienna

1 West or East to Tysons, and to B
2 MR. VARGAS: To the airport, right?
3 MR. CERVANTES: -- Dulles, yes. It's $9 billion.
4 I'm told that they're going to set aside 40 percent for small
5 business.
6 And the last one, which is most important, is the
7 GSA stimulus package on the green buildings. They will have
8 their RFPs out in April. I just met with a new guy. They're
9 building out their office. There are only 2 there, they are
10 going to have 12, eventually, because they've got federal
11 buildings all across the country.
12 And my understanding -- don't quote me -- is that
13 they will be setting aside -- it's going to be parity, okay?
14 Small businesses. But if it's small business, you know,
15 vets are in there. It's not HUD zone and it's not women, and
16 it's not 8As.
17 So, that opportunity lends itself to teaming. And
18 our strategic plan, I emphasize teaming because -- for
19 example, in the green building initiative, if it's a
20 construction company under -- I think it's 236-220 of the
21 code -- that's not going to do it. They say you've got to
22 have an IT solution. So you're going to have to bring in a

1 team member from the IT group, preferably one of the 42
2 companies that I already got on the wagon. So they're
3 already there, okay?
4 MR. GARCIA: The IT companies?
5 MR. CERVANTES: Yes. And there are about -- the
6 last time I looked at the list -- is it 42 or 34?
7 MR. JENKINS: Forty-two is what I've heard.
8 MR. CERVANTES: Forty-two?
9 MR. JENKINS: Yes.
10 MR. CERVANTES: About 28 of them are in the capital
11 region. They're right here. So you know they're going to go
12 after that.
13 PARTICIPANT: Right, right.
14 MR. CERVANTES: They can't get it, because they
15 only had the 236, 220 -- so they've got to marry themselves
16 with a construction company.
17 Now, from my days at the Pentagon -- and I used to
18 do all these numbers here -- we know that the largest numbers
19 of service-disabled veteran companies are in construction and
20 IT. So it ought to be a natural. Ought to be a natural.
21 By the way, I did commission a set-aside for
22 looking at the universe of service-disabled veteran-owned

1 small businesses. We looked at CVE. We got all the
2 databases we could get a hold of. And they were, by the way,
3 two women, former Marines, that got the contract.
4 MS. LYNCH: That's right.
5 MR. CERVANTES: Yes.
6 (Laughter.)
7 MR. CERVANTES: They were tough, and they were
8 good.
9 (Several people speak simultaneously.)
10 MR. JENKINS: Wait a minute, hold on. Marines are
11 never "former."
12 (Laughter.)
13 MR. CERVANTES: What they did was they drew a big
14 pie chart. And what we wanted them to do was see where they
15 are. Because, you know, we're all getting a little gray
16 hair. And the guys from Afghanistan, and young guys like
17 your friend there, you know, they have to fill the gap. You
18 know, Rick Wideman, all those guys are getting old.
19 But -- so they looked at the pie. And there was a
20 big portion of the pie that's not included in any database.
21 The smallest one was a CVE, because you know, the
22 certification -- I mean, you're going to have to wait three

1 years now to get in there. So -- where those guys go, they
2 may be in the CCR, but they're not going to get any work if
3 they're not certified. No holy water, no work.
4 But there is a whole lot, from that study -- and I
5 can request it and share it with you, it's a public document
6 -- of this, what we call a universe out there that don't
7 exist. The ones you're trying to bring in. And how do you
8 bring them in and train them up?
9 Now, the guys that were -- and the women, because
10 there are a lot of women service-disabled vets -- that we
11 expect to come to this conference are pretty -- I mean they
12 know what they're doing. They know they're going to have 30
13 days, once that RFP hits the street. They know they're going
14 to have to get their teammates in there, because they can't
15 do it as an IT alone, they can't do it as a construction
16 company alone.
17 And they are going to have to have some money,
18 because the stimulus package is going to -- when we talked to
19 John Simpson -- and we'll try to meet with him again --
20 they're going to award these green building contracts --
21 solar panels and HVAC, new stuff, new metering, new wiring --
22 to the companies that say they can get people on the job in

1 120 days. Where, if you don't have banking to pay somebody
2 for four months, how are you going to get them on a job,
3 right?
4 They said, "Well, you know, big guy, 120 days, got
5 a line of credit, yes, okay, you get it, even though you
6 weren't the low bid and you weren't the best qualified."
7 So, we want to bring the bankers, because they
8 ought to be able to pony up the money to get -- I mean you
9 guys can't carry, you know, 10 employees on the books for 120
10 days out of your pocket. You would go broke. I mean I
11 would.
12 So, that's what I would kind of like to focus in
13 on, because this thing, they're going to do it in every
14 region. The first region -- and actually, they posted it in
15 January, and they pulled it back. It was going to be the
16 national capital region. They were going to do 10 and they
17 said, "Oops, it hit the street," and they pulled it back. So
18 they are going to now do it -- I guess they're getting input
19 from all the regions.
20 You know, you've got post offices, the ones in
21 Texas, you've got the IRS building on I-35. It's a one-story
22 building. You don't need planes and skyscrapers and all the

1 stuff that Bechtel and Clark is, you know. Guys can get on a
2 12-foot ladder and get on a roof and put the solar panels --
3 right? Or they can change a light bulb, because a lot of it
4 is just taking the incandescents out, putting in
5 fluorescents, or the little whirligigs.
6 So, that is really -- and I like to work on
7 something that is going to yield, have an immediate return.
8 They got to spend the money by 9/30. All right? The
9 authority dries up, the appropriations dries out. So you
10 know what they do, come September. They start throwing the
11 money over the transom and out the door, and pushing it under
12 the -- so there is B
13 MR. GARCIA: Spend it or lose it.
14 MR. CERVANTES: Yes, spend or lose. And if they
15 don't spend the stimulus money on small business, everybody
16 is going to know.
17 MR. GARCIA: Yes.
18 MR. CERVANTES: Because I know.
19 MR. GARCIA: Yes.
20 MR. CERVANTES: So, I would like to ask the board,
21 if they're interested in participating, we are going to have
22 another meeting in Tysons next week. And if anybody is still

1 here, you can come and listen without a commitment.
2 We think there is the critical mass and the timing
3 now, because everything is small business and jobs, right?
4 That's all you hear over there, that's all you hear at 1600,
5 that's all you hear over here. And we may have a better
6 defined small business jobs package by May or June, whenever
7 it is. So the timing is critical.
8 What I do know is they're going to put that stuff
9 on the street, because they've got to spend it. So they're
10 going to have, what, four months? And they're going to be
11 all -- well, there is a Marine here -- all asses and elbows
12 freaking out, trying to get the money out the door.
13 So, if you're interested, I would ask the board to
14 have somebody come and just listen without commitment, and
15 see if it's worthwhile. I got to have a vet participating in
16 the planning and keynote speakers, or helping to bring SBA
17 personnel, whoever it may be B
18 MR. GARCIA: Again, what are the dates?
19 MR. CERVANTES: Well, you know, when you do these
20 conventions you're looking at B
21 MR. GARCIA: Yes, yes.
22 MR. CERVANTES: I was -- you can't do it in March,

1 because Jim Moran -- Congressman Moran is going to have one
2 in Arlington. And is he -- in fact, he's bringing Dean
3 Koppel, and some other people from -- and Kevin -- no, Dan
4 Sturdivant from Homeland Security. They are always the small
5 business speakers.
6 Then, April 21, all of the small business offices,
7 are meeting at Dulles Airport for their annual small business
8 conference, kind of match-making.
9 The only other one I thought about was the vet
10 business conference, which they moved to July, which I'm
11 going to. So that gives us April and May. Now, if they put
12 the stuff on the street in April, I'm thinking that would be
13 opportune, but you've got tax time, April 15th, so we're all
14 going to be filing taxes.
15 MR. GARCIA: August?
16 MR. CERVANTES: That's too late.
17 MR. GARCIA: June?
18 MR. CERVANTES: June, I think, is the one. I would
19 rather -- it would have to be early June, but B
20 MR. GARCIA: Yes, we B
21 MR. CERVANTES: If they say they're going to put it
22 on the street in April, the likelihood is it's not going to

1 go out until May, maybe June.

2 MR. JENKINS: How much money are we talking about?

3 MR. CERVANTES: Well, the first thing I looked at -

4 - national capital region, they were looking at $70 million

5 to $100-and-some-odd million. It's not -- what's happened is

6 the money is there. The money was appropriated under the

7 stimulus bill. And OMB or OFPP has a spending plan. So they

8 have already put the money in for each building. Like the

9 Peter Rodino Building in New Jersey got $120 million, or

10 something like that.

11 The small business contracts that I saw that are

12 already tentatively set aside, are between -- the low was

13 $162,000 and the high was $23 million.

14 Now, we've got another problem, bonding. But

15 Dennis De Molet is doing a wonderful job in getting -- and I

16 wish Frank Lalumeir were here -- getting the SBA assurity

17 bond guaranty up from $2 million to 5. And they're looking

18 to get it up to 10. They think Senator Landrieu and Senator

19 Snowe and Senator Cardin B and when I was at DoD, I was

20 advocating, "Why not $33.3 million? That's the size standard

21 for a construction company, right?" They only have to do 15

22 percent of the work, it's all subbed out.

1 But it's five now. They are trying to get it up to
2 10. But with -- but if you got the bond guarantee at five,
3 and you get up front financing to carry the personnel and
4 every -- you know, buying the solar panels and all that kind
5 of stuff, and getting your HVAC people, subcontractors, and
6 probably, you know, at least making a downpayment on solar
7 panels, you're going to need a lot of money to get people on
8 the job in 120 days. It's a jobs bill, okay?
9 MR. VARGAS: Sure.
10 MR. CERVANTES: So, all other things being equal,
11 what -- they look at the 10 and they say, "Well, these guys
12 are going to get 11 employees on payroll in 90 days," they're
13 probably going to get picked over the one that says, "It will
14 take us 180 days."
15 What I would like to do is invite the GSA people,
16 so whatever they're doing in this new office, they're
17 supposed to have 12, and they've got 2. They've got the
18 number one guy, the number two guy, and then they're going to
19 fan the other ones out to the regions. By the time you get
20 to California, it may be -- you know, they may throw it out
21 there in July. So if you put it in July, that's too late.
22 MR. JENKINS: A contracting officer -- you know,

1 especially with the amount of money. If we're talking about
2 $1 million, then it can be done quick. But when you start
3 getting into those millions over those thresholds -- for
4 instance the $5.5 million commercial buy -- because some of
5 that can be done commercial buy, because of the fact that
6 they were buying equipment, and you can put services in there
7 because of -- they come hand in hand.
8 MR. CERVANTES: Yes. They're going to buy solar
9 panels.
10 MR. JENKINS: YES.
11 MR. CERVANTES: They're going to buy a whole bunch
12 of solar panels.
13 MR. JENKINS: The companies will be responsible for
14 that.
15 MR. CERVANTES: Yes, the companies -- and then the
16 installers -- that's it. I'm going to --
17 MR. WHITE: Charles, thank you. That was very
18 good.
19 PARTICIPANT: Yes, really appreciate that. Are you
20 going to stay in touch with us, or Felix, on your date?
21 MR. CERVANTES: Well, if you let Felix come to
22 lunch with us, we will probably have lunch at the Tower Club,

1 and just -- the five of us. And then let him report, and
2 then B
3 MR. VARGAS: YES, sure.
4 MR. CERVANTES: But I really want to have vets
5 there. I mean if we just have women and minorities and HUB
6 zones, it ain't going to do it.
7 MR. VARGAS: Unless they're vets.
8 (Several people speak simultaneously.)
9 MR. VARGAS: Let's wrap this up, because I think we
10 have a lot of things here.
11 Tomorrow we have a good agenda, as well. We've got
12 Terry Schow. Terry is going to be here at 8:45 in the
13 morning. So I want to be down there to meet him, and
14 hopefully I won't have any -- do you think we can get him up
15 at that time? I mean I will be down there, but I will escort
16 myself.
17 Yes, so he will show up. And we will probably get
18 started with him earlier than 9:15. So I would kindly ask
19 all of you to be here by no later than 9:00 so we can -- but
20 I'm looking forward to that discussion, and I'm sure you are,
21 as well. It's a tremendous opportunity to advance an item
22 that we have talked a lot about.

1 All right. And then we will have some other
2 discussions here. Also talking with a gentleman on SBA
3 capital access, Steve -- it was down to the things that you
4 and others have sensitized us to. And maybe we can follow up
5 on some of the discussions we had today with Ana Ma and Dick.
6 That's for tomorrow. A deliverable for tomorrow is
7 if we could think about this project idea of a plan to set up
8 a national veterans outreach center program, using resources
9 that are already approved coming through, working closely
10 with SBA. Because you heard it from Dick today; we will be
11 drawn in closely on this whole issue of working to implement
12 the awarding of monies -- not implement, but to talk about
13 what these VBOCs are going to be doing, what this interagency
14 task force is going to be doing.
15 So, here is a chance for us to put some elements
16 down and say, "Hey, here is something we might want to think
17 about." And does it make sense to -- for this committee to
18 recommend that the congress appropriate more monies to set up
19 more VBOCs? There is a case there. These are things that we
20 wish to look at.
21 But we can think of doing some kind of outline.
22 Jeff, maybe we can put our heads together later and talk

1 about this.

2 MR. SNYDER: If I could just interrupt a second, on

3 that inter-agency task force it -- just quickly, there are

4 six items that they talk about here, so far as the

5 responsibilities. And it's under the broad caption of

6 "Coordinating and Administrative and Regulatory Activities,"

7 to develop proposals relating to improving capital access and

8 capacity of small business concerns owned by SDVs, assuring

9 achievement of the pre-established contracting goals for SDVs

10 B and I'm abbreviating some of this -- increasing the

11 integrity of certification status of small businesses owned

12 by veterans, service-disabled veterans, reducing paperwork,

13 administrative burden on veterans accessing business

14 development and entrepreneurial opportunities, increasing and

15 improving training and counseling services to small business

16 owned and controlled by veterans, and making other

17 improvements relating to the support of veteran business

18 development by the federal government.

19 So, the initial task -- I mean they've got it

20 pretty well spelled out in the public law here, and I will

21 get you a copy of that.

22 MR. VARGAS: Yes, great, great.

1 MR. SNYDER: So you don't have to reinvent the
2 wheel. But from there, those are just six big topic items.
3 MR. VARGAS: Sure.
4 MR. SNYDER: How do you really -- how do you hone
5 that down and refine it and get it done?
6 MR. VARGAS: And how do you we ensure coordination
7 or dialogue with this committee so that you don't have to
8 reinvent the wheel?
9 MR. SNYDER: Yes. Because on this committee,
10 you've got Department of Labor, Treasury, GSA, OMB, and then
11 you have four representatives from veterans service
12 organizations and military organizations or associations.
13 And then you have the Department of Veterans Affairs and the
14 Department of Defense, as well as SBA.
15 MR. VARGAS: Yes, yes.
16 MR. SNYDER: Those are the B
17 MR. VARGAS: Yes, but I think, as part of the SBA
18 team assigned to that, you might want to have some linkage to
19 this committee, so that we can B
20 MR. SNYDER: Sure.
21 MR. VARGAS: -- we can provide our input, we can
22 provide our thoughts to some of the topics.

1 MR. SNYDER: Yes.
2 MR. VARGAS: Discussions.
3 MR. SNYDER: That would be really good.
4 MR. VARGAS: Anything else we need to talk about?
5 MR. WHITE: I just -- while it's still fresh at
6 today's meeting, I was really taken back when -- listening --
7 said that they were going to have a fund for women veterans.
8
9 Now, that was -- I mean we're the veterans business
10 advisory committee. Now I don't remember anybody asking us
11 what we thought about that, where that came from. All the
12 sudden -- how much was that? A million-plus, two million,
13 whatever it was, out of the blue comes -- hell, I love women.
14 I got no problem with that. But we're veterans, we're all
15 veterans.
16 Part of the thing about veterans is that we don't
17 differentiate with that. Women are serving in combat, and
18 they're doing great stuff. I just don't understand. There
19 is a women business program here that gets a hundred times
20 more money than veterans do. I'm just really taken back by
21 that. And I don't know what you do to recommend to somebody
22 else, besides having a sex change, to even stuff up.

1 MR. JENKINS: It ain't going to work.
2 MR. WHITE: It doesn't make any sense. I mean I
3 don't -- I have no idea why -- where that would come from, to
4 have a special program for women veterans when the whole idea
5 of the military is everybody is together.
6 MR. VARGAS: Yes, she is saying that the SBA is
7 asking the Hill for $2 million for women veterans and
8 veterans policies.
9 MR. WHITE: I mean we're not going to say -- and
10 all the veteran business outreach centers, they're not for
11 men, they're for veterans. And I mean that's -- do you
12 think -- am I stepping on your toes?
13 MS. LYNCH: No, you're not stepping on my toes at
14 all. I am curious as to what the intent is behind the money.
15 Because usually, when money is awarded in that way, there is
16 some sense of disenfranchisement. I mean is there some --
17 that's why I kept asking context questions of them. What's
18 the word on the street that is making them think women
19 veterans are disenfranchised? I don't understand B
20 MR. WHITE: And, by the way, "spouse" here
21 obviously just says women, not the women that overseas, and
22 the man is the B

1 MR. JENKINS: Well, the B

2 MR. WHITE: So it's just -- where is the -- I mean

3 why not take that money for this and put it in the VBOCs?

4 MR. CHICOINE: And I don't know if that's the

5 answer. I mean I think that there is something that's

6 happening with the younger generation, and the fact that

7 there are women that are serving in different ways. The VA

8 has put all kinds of efforts into getting more up to date to

9 handle a lot of these issues. So I think that there is a

10 huge focus on it B

11 MS. LYNCH: I'm curious. Like, before I pass

12 opinion, I want to see what is driving that. There is

13 something that -- they just didn't magically pull out of the

14 air, "Hey, $2 million for women vets. Sounds cool." So I'm

15 curious as to what's driving B

16 MR. SNYDER: Courtney, if I could interrupt, and

17 I'm going to be very general because I don't recall precisely

18 the numbers, but in the omnibus appropriations bill there was

19 a section in there that talked -- that spoke to this.

20 But the way it -- there was a larger number. And I

21 believe the number was $10 million. I've got it on my desk

22 downstairs. But before Congress will release this, the

1 Agency has to come back with a specific spending plan that
2 the appropriators have to then accept. So it's not like the
3 Agency is making a request out of the blue. This, as I
4 understand it, is the Agency's response B
5 MS. LYNCH: To monies available?
6 MR. SNYDER: -- to this pool of -- and again, I
7 believe it's $10 million, and B
8 MS. LYNCH: What's the greater pool categorized as?
9 MR. SNYDER: That's what I don't remember.
10 MS. LYNCH: Yes, that's -- and that's what I'm
11 saying. Like, I don't think it's -- like I said, I don't
12 think it's anyone waving a magic wand and B
13 MR. SNYDER: She mentioned clusters. That's
14 included in that pool, too.
15 MS. LYNCH: What are clusters? Bring me up to
16 speed B
17 MR. SNYDER: Regional clusters initiatives.
18 MR. WHITE: There is an expression about clusters
19 that B
20 (Laughter.)
21 MS. LYNCH: I'm up to speed on that.
22 (Laughter.)

1 MR. CHICOINE: So my reaction is this. Okay,
2 great. You know, that's awesome. You know, women veterans
3 are getting a significant amount of money. Now, how can we,
4 as a committee, use that to draw out this deeper
5 understanding that veterans are a group of individuals that
6 cut through all demographics?
7 You know, that's the point we're getting at. How
8 we respond can either create more division amongst the
9 veteran community, or -- so how do we use it? And it's all
10 often about language, because that is what I see, over and
11 over.
12 And even on a grass roots level, seeing student
13 veterans, you know, fighting for money, often you see the
14 power and privilege that have the money creating up these
15 little ways -- they're like, "Well, we'll give you this
16 money," and get people fighting, and then you end up seeing
17 everybody fighting for the same pot of money.
18 So, how can we use this as a way to say, "That's
19 great," because we recognize that there are some significant
20 issues with, you know, women vets. That's what is driving a
21 lot of it, I think, is, you know, these B
22 MR. MILLER: And that's usually health care, when

1 they say that. That's generally health care. This is B
2 MR. WHITE: This is business training. We are the
3 veterans business advisory board.
4 PARTICIPANT: Yes.
5 MR. WHITE: I'm just questioning why we weren't
6 even a consideration factor in this. I don't think it
7 happened yesterday.
8 MR. LINSCOTT: What I want to bring out that's
9 significant to me is on October 31st we, as a body, met for a
10 year in a position capacity called the National Advisory
11 Committee on Veteran Business Affairs. We published an
12 annual report. We are established by public law 106-50 to
13 report to the Congress, the President, and the administrator
14 of SBA. And was there any one time in the last 12-month
15 period a women's veteran program of any kind considered? Is
16 that in our annual report?
17 MR. VARGAS: No.
18 MR. LINSCOTT: And what was the one and only agenda
19 from this administration that was promoted forward for
20 funding? And when I asked the chief of staff what is on her
21 horizon, it was a blank stare.
22 PARTICIPANT: Yes.

1 MR. LINSCOTT: Not one of these issues, all of
2 which could use some funding.
3 MR. VARGAS: So, Dick, I guess the issue is
4 twofold. One, another source of disappointment for this
5 committee, to not have been engaged in discussions on this
6 SBA legislative initiative to give $2 million to women
7 veterans. So that's one missed opportunity for input here
8 that we have.
9 The other is going forward. Can we work
10 collegially and across the board as Ana suggested we can do,
11 to ensure that veterans, as a unit, get consideration?
12 MR. SNYDER: Well, I think she opened the door for
13 that. And while you -- while the committee was speaking with
14 -- listening to Cal Jenkins present, I spoke with -- I went
15 back and talked with her. And she asked me how -- if I had
16 any suggestions as to pulling this off.
17 And I said, "Well," I said, "let me -- first let me
18 discuss it with Bill." But I said, "I think it's very
19 doable." I said, "I think it's a good suggestion." I said,
20 "But I think this, that much like we have an agenda for this
21 meeting, that if" -- let's just say if the telephone
22 conversations are 45 minutes long -- let's say they're once a

1 month, that there is a topic of conversation -- topic or
2 topics, depending upon what they are.
3 And so, that way you stay on point. Everyone is
4 prepared, is going to be participating. So it's not like
5 something is just lobbed out there, and we have to think and
6 process and digest what's been said, and, "Let's see, well,
7 what do I think about that," or, "What do I really think
8 about that," and so that it's -- there is structure to it,
9 as opposed to, you know, like when I sat down this morning
10 and we were kind of brainstorming and bouncing things. And
11 that was fine. But, instead of that, okay, hey, it could be
12 the first topic about that funding, and why. That could be
13 topic one, or whatever else B
14 MR. VARGAS: I understand, and that's appreciated.
15 I sense that, since the Hill has already been engaged on
16 this, that it's going to be rather hard to change.
17 MR. MILLER: No, let me just B
18 MR. VARGAS: What do you think?
19 MR. MILLER: If I might just add, here is what I
20 found that happened in the past -- you know, my past
21 experience when I worked up here, and since.
22 The SBA has White House liaisons. They work with

1 Congress. And when they talk with the congressional people,
2 and especially the small business committees in the House and
3 the Senate, and they see that there is a pile of money, you
4 know, somewhere that could be spent for whatever, they -- the
5 congressional people will tell these people, "Look, you know,
6 I am interested in women constituency. Can you do anything
7 with that?"
8 That's where it comes from. It's a political
9 statement, and it's not rooted in anything other than that.
10 MS. LYNCH: But when you understand that, then you
11 can work within the system much better B
12 MR. VARGAS: Well, and all we're saying is that,
13 really, there should be some thought given to the SBA
14 representative to say, you know B
15 MR. MILLER: -- the committee and ask them.
16 MR. VARGAS: We have a committee that addresses
17 veterans issues. Let's just talk to them about it, let's see
18 what they think about it.
19 Now, but Steve, you raised a question so I would
20 like to ask you. Do you -- is it your desire that we
21 formally request that we get just some background on this
22 particular matter, or how do you wish to proceed?

1 MR. WHITE: Yes. No, I think we -- the comment
2 that we ought to find out where it comes from, in the overall
3 context.
4 MR. VARGAS: Okay.
5 MR. WHITE: Not that -- just that this was their
6 desire to start a program for women veterans. I mean it
7 might be there is a pool of money, and something that has to
8 go for women, and they decided to put something in for
9 veteran women, because it would be a good thing, because
10 that's all they got.
11 MR. VARGAS: Okay.
12 MR. WHITE: But I doubt that's the answer.
13 MR. VARGAS: All right. Well then, Dick, given
14 this, that will be one of the requests that we're going to
15 make, coming out of this.
16 PARTICIPANT: -- for at least five minutes.
17 MR. CHICOINE: And I really do -- I mean there is a
18 way to use that, too, and I think that's something that we
19 really have to think about.
20 I mean, Felix, you brought it up just a little bit
21 ago. You capitalize veterans now, right? For you to start
22 putting on all of our agendas, you know, the first business

1 of the day, why we should capitalize veterans -- but you
2 know, I think there is a way to use those things, too, so
3 that we're not reacting in a way that B
4 MR. VARGAS: And let's say "business people" more
5 often, rather than just "businessmen."
6 MR. CHICOINE: Precisely.
7 MR. MILLER: You could cause a little bit of a
8 friction if you go to the chief of staff and say, you know --
9 they've announced that they're going to do a program for
10 veterans -- I mean for women.
11 MR. VARGAS: Yes.
12 MR. MILLER: And they've told you what they're
13 going to get?
14 MR. VARGAS: Yes.
15 MR. MILLER: Now, for this committee to go back in
16 and say, "Hey, we want to change that," you B
17 MR. VARGAS: No, no, no. We can't change it, no.
18 MR. MILLER: All right B
19 MR. VARGAS: The intent is just to find out, in the
20 future B
21 MR. GARCIA: What I learned is that -- you know, if
22 this was Department of Commerce MBDA, I would accept that.

1 This is the SBA. And women across the Commerce are
2 considered a minority group, and that's okay.
3 But here, veterans aren't. So if that was --
4 that's the rule of thumb we are following, then, I would go
5 and say, "Well, I've got Native Americans, 200,000 in this
6 country. I would like a little earmarked money for them.
7 I've got 80,000, whatever it is, numbers of Hispanic
8 veterans," and you start breaking it down now. See, that's
9 what happens when you start that.
10 MR. VARGAS: Exactly.
11 MR. GARCIA: See? And it's not to say -- it's
12 already a done deal, because I agree with you, we're in the
13 process.
14 MR. VARGAS: Yes.
15 MR. GARCIA: But, you know, now we've got to go
16 back there with a strategy. But we have to have a strategy
17 in motion to lay down to the administrator, so she can go
18 back and B
19 MR. MILLER: And there is no problem in
20 doing B
21 MR. GARCIA: Yes. And I think then you can get --
22 I'm glad that they focused on that segment of the population,

1 because women have a higher percentage of PTSD than our men,
2 and all the other issues B
3 MR. WHITE: But that's a VA issue.
4 MR. GARCIA: That's exactly right. Those are VA
5 issues.
6 MR. WHITE: Yes.
7 MR. GARCIA: But see, you can't throw that in the
8 SBA, because SBA is just business.
9 MR. VARGAS: Yes. And by asking the administrator
10 to shed some light on this, maybe we will see something
11 that's affected women veteran entrepreneurs B
12 MR. GARCIA: But see, Raymond, you have a woman's
13 office, right?
14 MR. SNYDER: Yes.
15 MR. GARCIA: So, you know, that group then got
16 their funding. I mean these guys are trying to get funding,
17 and we just have to support your group, your office, to get
18 more funding, see?
19 MR. WHITE: Women get about $15 million, don't
20 they, right now? Isn't it about $15 million?
21 MR. SNYDER: I think it's a little bit less than
22 that, but yes.

1 MR. GARCIA: The women SBA office gets $15 mil?
2 MR. SNYDER: $12.5 million, $15 million.
3 MR. GARCIA: And what do you get?
4 MR. SNYDER: Well, no. They get -- I don't think
5 it's 15, but $13 million or $14 million, something like that.
6 That's to support, I believe, about 115 women's centers.
7 And that money, much like our 2.5, is used solely for those
8 centers: $150,000 award per center. The only difference is
9 they require a match.
10 So -- and I think last year maybe a dozen or so
11 fell off, because of the economics, and they didn't get their
12 match. So they lost them.
13 MR. WHITE: $14 million, $2.5 million.
14 MR. SNYDER: Yes.
15 MR. WHITE: That's where you're at, $2.5 million.
16 MR. GARCIA: Who is going to do this women vet
17 outreach? Who is going to target that? Who is -- in my
18 state, who is going to target women veteran outreach?
19 MR. SNYDER: I don't know.
20 MR. GARCIA: I mean within the SBA, who.
21 MR. SNYDER: Do you mean B
22 MR. GARCIA: Your SB office will?

1 MR. SNYDER: No, it's going to be Ana, right? Ana
2 Harvey. I mean the way it is right now, that would be --
3 which is a suboffice of the office of entrepreneurial
4 development.
5 MR. GARCIA: Okay, okay. So she got the bulk of
6 the B
7 MR. SNYDER: That's the way it's being processed
8 now, yes.
9 MR. GARCIA: Okay. All right.
10 MR. SNYDER: I mean that's where it would go.
11 MR. WHITE: So that won't even come under the
12 office of veterans?
13 MR. GARCIA: See, that's what's crazy. It should.
14 It should be with you. If it's vets -- I would be real
15 happy, since it's women vets, great. Put a new -- target
16 that.
17 MR. JENKINS: I received a call from the B
18 MR. GARCIA: That makes sense.
19 MR. JENKINS: -- women's council, because they're
20 not going to have that expertise to B
21 MR. GARCIA: Absolutely, they're not.
22 MR. JENKINS: So it will be interesting to see what

1 their B

2 MR. GARCIA: So that's the problem. Keep

3 fractionalizing all this stuff, man.

4 MR. JENKINS: I know.

5 MR. GARCIA: It -- I'm glad that segment of the vet

6 population got this funding, but it should go in his office,

7 then.

8 MR. JENKINS: And then it goes against the way that

9 we've all been trained, right, that we're one unit. And

10 somebody B

11 MR. GARCIA: One team, one fight.

12 MR. JENKINS: That's right.

13 MS. LYNCH: That's why it's so important to

14 understand intent, though, so you can work to make sure that

15 something like this B

16 MR. CHICOINE: But, you know, this is deep about

17 identity, right? We heard at this committee, I think before,

18 I think when women veterans identified themselves, I believe

19 somebody said they were identifying themselves as women

20 first, right? I mean didn't we hear that at one point?

21 And, you know, that's a real issue even amongst us

22 as veterans, right, the whole -- I mean we're pretty male

1 oriented. So I honestly think that -- and this is something
2 I'm really going to pick my mind, I'm going to call my
3 friends, and I'm going to find a different way of how can we
4 use that. Because my reaction is wow, that's cool. Women
5 veterans are getting this kind of support. And that's what
6 we need.
7 But you know what? How can -- let's keep that,
8 fully support that, and let's -- like, let's look at this.
9 We've got all these different veterans groups. So we need to
10 -- it's not -- because I think we have to be really careful
11 in our reaction. Otherwise, what we do is we play the game
12 that just divides us. And I don't know what the answer is,
13 but that's my question, is how can we use it in a way B
14 MS. LYNCH: My question is, too, can we learn from
15 the advocacy? There must have been some advocacy that took
16 place to get this money for women veterans. Whether --
17 obviously, it wasn't our advocacy. But what else B
18 MR. GARCIA: It could be an administrator very
19 sensible to the needs of women.
20 MS. LYNCH: Obviously, the women-owned businesses
21 have been better advocates for dollars within the SBA for
22 many, many years.

1 MR. JENKINS: Absolutely.
2 MS. LYNCH: So, if there is some sort of faction of
3 women veterans that are out there advocating and getting
4 resources B
5 MR. GARCIA: Well, I tell you what. I'm going to
6 go back and I'm going to put together a proposal to target
7 women vets in business. Because right now I will get some
8 funding for that. And I'm going to create something that's
9 going to target my women vets in business.
10 MR. VARGAS: Well, see, some of us would argue that
11 that will just further divide the veteran community.
12 MR. GARCIA: But D.C. has already started it.
13 MR. VARGAS: I know.
14 MS. LYNCH: Think about it. If you're developing a
15 program for women vets, I mean, is it really going to be that
16 far off? I mean, you can fund it fully, and then it becomes
17 for all vets.
18 MR. GARCIA: Let me just tell you -- give you a
19 case in point. I did stand-downs in my state, and I get 100-
20 some vets showing up that know more about the VA than me.
21 And there would be two women or three sitting in there
22 quietly. And I knew I had some great numbers of women vets

1 in my state.

2 So I went to the commission -- the agency for

3 domestic violence, teamed up and got a conference room with

4 vets. We had 400 women veterans show up, because we

5 sensitized it, you know? And so now I've got a women veteran

6 program, I have a Native American program that we're doing

7 outreach for.

8 And we ought to be -- we're under the same banner.

9 But you know, when you take that uniform off, you fall back

10 in those B

11 MS. LYNCH: That goes back to Jathan's point about

12 identity, where these women are walking into a center, and

13 identify themselves as a woman, but not even mentioning

14 they're B

15 MR. GARCIA: And I'll tell you what. If this room

16 was filled with women vets, they will probably say, "It's

17 about time," and they would be excited about it.

18 MR. MILLER: To put it back in B

19 (Several people speak simultaneously.)

20 MR. CHICOINE: That is a huge point, that -- where

21 that is actually structured within B

22 MR. VARGAS: Is it too late? Has the train left

1 the station on that issue?

2 MR. SNYDER: Maybe not getting the money, but

3 putting it B

4 PARTICIPANT: I don't think it's ever too late.

5 MS. LYNCH: That would double your budget.

6 (Several people speak simultaneously.)

7 MR. JENKINS: That would be the main question.

8 MR. VARGAS: Dick has a question. But John has

9 whispered in my ear something that is a very good idea. What

10 if this committee recommended that this money that has been

11 requested for women veterans be administered?

12 MR. MILLER: And do it on a single letter. Don't

13 wait for a committee report. Put it under a single letter

14 from you, recommending that.

15 (Several people speak simultaneously.)

16 MR. JENKINS: Hey, guys, let me share this, okay?

17 I was a keynote speaker at the Department of Interior. And I

18 made a special call to women vets, because you know, in all

19 my travels, you know, I never saw the women show up in masses

20 that were vets.

21 So I made a special call. I said, "Look. The

22 women are not visible. You're not contacting my office for

1 this training." And, sure enough, when I made that call,
2 they started showing up. So, for some reason, you know, they
3 were not identifying themselves. It was just like you're
4 saying, they were identifying themselves as women B
5 MR. CHICOINE: I mean -- you know, all the time we
6 -- it's our language. The military has always been a very
7 androcentric sort of organization. We use -- it's male
8 dominated. So, I mean, that's something that we all have to
9 be sensitive to.
10 MR. GARCIA: Not at my house, man.
11 (Several people speak simultaneously.)
12 MR. CHICOINE: This annual report we put forth, and
13 our recommendations for it or what not. A wise person once
14 told me that sometimes the most powerful agent of change is
15 questions. And maybe B
16 MR. GARCIA: What was her name?
17 (Laughter.)
18 (Several people speak simultaneously.)
19 MR. CHICOINE: So, in some ways, that's another
20 solution, is just being curious. And I am certainly curious
21 how this came about.
22 MS. LYNCH: Yes, that's B

1 MR. CHICOINE: And putting forth a set of questions
2 that says, you know -- and this is great, you know, our women
3 veterans have this, and stuff. We're kind of curious, why,
4 since it's particular to veterans, why it's not falling under
5 this office.
6 PARTICIPANT: Yes.
7 MR. CHICOINE: It's just that, you know, we can B
8 MS. LYNCH: The same arguments that were used to
9 rationalize the money for women vets are the arguments we
10 should be using to rationalize money for all vets.
11 MR. GARCIA: We have. We have been doing that.
12 MS. LYNCH: We don't know what those arguments
13 were, though.
14 MR. VARGAS: Well, I bet we B
15 MR. GARCIA: I'm with Ron. If my governor wanted
16 to give me money for women vets, I would take it, because
17 it's a political thing. But I would assume if, within my
18 agency, I've got a department B
19 MS. LYNCH: Oh, I believe it B
20 MR. GARCIA: -- and not just -- you know, I would
21 have moved it different, and I think that's what didn't
22 happen.

1 MR. VARGAS: Well, would anyone have any objection
2 if I sent a letter to the administrator, and just posed the
3 question?
4 MR. GARCIA: I second the motion.
5 MR. VARGAS: "What is the origin of this?" You
6 know, "We're curious as to what the background is on this
7 particular initiative. And, secondly, can we be assured that
8 this money will be administered by the office" --
9 MR. WHITE: Well, why don't you email Meaghan?
10 MS. LYNCH: And I think we presented as we're
11 excited about the resources being allocated to veterans,
12 versus we're pissed off that women veterans are getting B
13 MR. CHICOINE: That's my -- yes, that's B
14 MS. LYNCH: I mean that's the biggest thing. It's
15 like B
16 MR. VARGAS: I'm sorry?
17 MS. LYNCH: I think we must make sure that we
18 present it as we are excited that veterans are getting
19 resources, rather than we are pissed off that women veterans
20 are getting resources, and B
21 MR. WHITE: I was just suggesting that he emails
22 Meaghan and says, "Where did all this come from," and we

1 support it, but we're just interested and curious and who
2 would do the administrating.
3 MR. VARGAS: I'll tell you what. I will do a
4 draft, I will circulate it for comment, and then I will send
5 an email to Meaghan on the subject.
6 MS. LYNCH: Can we just casually email her, or is
7 that -- does it need to be official?
8 MR. VARGAS: We just casually email.
9 MR. MILLER: I wouldn't take the time to B
10 MS. LYNCH: We trust what you say, Felix.
11 MR. MILLER: Just do it.
12 MS. LYNCH: Put the subject line, "Business men are
13 veterans."
14 (Laughter.)
15 (Several people speak simultaneously.)
16 MR. VARGAS: All right. Well, listen. That's
17 enough for one day. But there is one other thing I would
18 like to just request. I just got some bad news at lunch
19 today that we might be losing another member of this
20 committee.
21 So with that, Jathan, I wonder if you would like to
22 share with us what's happening.

1 MR. CHICOINE: Yes. I just, first off, am really
2 grateful that I have a deep sense of commitment and
3 dedication. And, actually, in the event that the committee
4 decides -- and it's something that I don't have to leave this
5 committee, that's something that's out there. I think, you
6 know, in keeping with my integrity and -- you know, sense of
7 integrity and honesty, you know, I am going to be working
8 private sector for a little while.
9 I had an opportunity. A friend of mine's sister
10 designed some equipment. I just finished up my master's
11 degree. I've been running the non-profit, and I just took
12 the opportunity, and it was really good.
13 I am going to stay connected to the organization,
14 serve on the board that I am connected to, and I am always
15 committed to veterans issues, and working my best to create a
16 better environment for our brothers and sisters.
17 And it's interesting to me -- and maybe I will get
18 a different sense of how even contracting works, too.
19 But so, I am glad it worked out. I am here. I
20 probably won't be coming in tomorrow, but I will be following
21 up with a letter, you know, to say I've never missed a
22 meeting yet, and I am planning on behind deployed to

1 Afghanistan for a year's time. So I don't know if there is
2 going to be a couple meetings in there that I would miss.
3 Again, Felix, I will visit -- well, I don't know if
4 we've set them in stone, right, if they're going to have
5 them. But yes, I will miss a couple of them.
6 So, I know it's a three-year commitment, and what I
7 will say is that I am really excited to be a part of this.
8 And if I can even provide insight with veterans in-country,
9 in finding out what people are -- you know, I'm always there,
10 an advocate. And I will send you guys a more formal letter,
11 in the event that I need to resign from this committee B
12 MR. MILLER: So you're going to be a civilian
13 contractor?
14 MR. CHICOINE: I'm going to be doing some, yes,
15 some force protection stuff.
16 MR. MILLER: Yes, okay.
17 MR. CHICOINE: And you know B
18 MR. MILLER: As a civilian?
19 MR. CHICOINE: Yes. Well, I'm working for -- it's
20 a few removed from the Department of Defense. It's doing
21 force protection. I'm going to be the team lead on the first
22 team in, so there is a lot of things that I am learning right

1 now. But B

2 MR. GARCIA: And you were a Navy SEAL?

3 MR. CHICOINE: Mm-hmm.

4 MR. GARCIA: Okay. So you're going to have to kill

5 us to tell us what you are really going to do.

6 MR. CHICOINE: Well, to be honest with you, we

7 haven't had a lot of -- it's moving so quick, and we really

8 haven't had any kind of an OPSEC briefing. And I would

9 rather not get into any details, because I don't know B

10 MR. GARCIA: Well, you be careful out there.

11 MR. CHICOINE: I appreciate that. And I do have a

12 lot of respect for you guys. And any way that I can keep

13 putting my energy into this in any way, I appreciate B

14 MR. GARCIA: Look for a good McDonald's site out

15 there.

16 MR. CHICOINE: You know, I watched Food,

17 Incorporated and I haven't eaten McDonald's since.

18 So B

19 (Several people speak simultaneously.)

20 MR. CHICOINE: In the event that we do those

21 monthly teleconferences, I've already talked to Courtney

22 about being my -- I do have Skype. I got a little ear thing,

1 now. I do Skype. I can walk around. I was talking to my
2 girlfriend in my hotel room last night, walking around, you
3 know, talking to her through my computer. It's amazing,
4 you've got to check it out. Do you have a computer?
5 (Laughter.)
6 (Several people speak simultaneously.)
7 MR. VARGAS: There are some names that are being
8 vetted now, as we speak. And I must say that vetting would
9 be expedited a bit. Secondly, I have submitted a couple of
10 the names to Cheryl and to Bill, and you've asked me for some
11 administrative information, how we get a hold of them, what's
12 the contact. And I will -- they are people who have attended
13 these meetings before, but I will get that contact
14 information for you.
15 But we just need to be a little more aggressive.
16 We are getting these vacancies filled.
17 MS. LYNCH: And so the process is to just give
18 information to Cheryl?
19 MR. SNYDER: There is an internal vetting that has
20 to take place.
21 MS. LYNCH: Okay. So get a resume to you, Dick?
22 MR. SNYDER: And then -- you can send it to Cheryl.

1 But then once that internal vetting within the building is
2 done, then it has to go over to the White House for final B
3 MS. LYNCH: Okay. Sure, and if I offer people up
4 to you, I mean, I'm not -- if you don't pick them, it doesn't
5 bother me. You know what I mean? I'm just -- I'd like to
6 try to get some resumes your way, in coordination with some
7 of the open seats maybe after this initial round has been B
8 MR. VARGAS: We do need more women.
9 MS. LYNCH: Yes, and younger folks too, the
10 Afghanistan/Iraq veterans.
11 MR. GARCIA: Younger folks -- that's the second
12 time you said that.
13 MS. LYNCH: Different campaigns.
14 MR. GARCIA: Vietnam vets, we still think we're 20-
15 some years old, man.
16 MS. LYNCH: Do you have a computer?
17 (Laughter.)
18 (Several people speak simultaneously.)
19 MR. VARGAS: With that, do I entertain a motion to
20 adjourn for the day? Okay. All right, folks, see you.
21 (Whereupon, at 4:24 p.m., the meeting was
22 adjourned.)