

U. S. SMALL BUSINESS ADMINISTRATION
ADVISORY COMMITTEE
ON VETERANS BUSINESS AFFAIRS

EXECUTIVE ORDER ON THE INTERAGENCY TASK FORCE
ON VETERANS' SMALL BUSINESS DEVELOPMENT
AND OTHER MATTERS

Wednesday, May 26, 2010

Small Business Administration
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ADVISORY COMMITTEE MEMBERS PRESENT:

JEFFREY R. LINSOTT, Acting Chair

JOHN M. GARCIA

STEPHEN H. WHITE

JOSEPH C. SHARPE, JR.

RON M. MILLER

ALSO PRESENT:

WILLIAM D. ELMORE, Associate Administrator
Office of Veterans' Business Development, SBA

LUPE SALDANA, VET-Force, American GI Forum

LLOYD CALDERON, Veterans' Business Development
Director, State of New Mexico

JOE WYNN, VETS Group

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

2 (9:11 a.m.)

3 AGENDA ITEM I

4 MR. ELMORE: Let me share with Lloyd,
5 basically what we are doing is we are trying to work
6 through the new Executive Order that creates the Task
7 Force, to coordinate amongst seven different agencies
8 with external input about how do we improve vet and
9 disabled vet small business opportunity in the Federal
10 arena.

11 I took the opportunity to ask the Committee to
12 help me work through this so we can create something
13 that the Committee can come to agreement on about their
14 recommendations to this Task Force.

15 That is why I don't necessarily want to put a
16 couple of staff members' names on this. Some of these
17 are things we might suggest and the Committee might
18 agree with that the Administration might not be so
19 enthused about right now.

20 MR. CALDERON: Right; okay.

21 MR. ELMORE: With that, I would prefer not to
22 recap a lot of yesterday because I know some of my

1 staff has 10:00 appointments that they need to be
2 upstairs for.

3 MR. LINSCOTT: I am very comfortable with
4 that. We can proceed with our discussions. We do have
5 Joe Wynn coming in at 1:00 today to speak with us.
6 That's the only change in the agenda that I have at
7 this time.

8 MR. ELMORE: As we get into it, next on the
9 list is increasing --

10 MR. LINSCOTT: We are on reducing paperwork
11 and administrative burdens.

12 MR. ELMORE: I thought we were going to work
13 through ensuring achievement of the pre-established
14 Federal contracting goals through expanded
15 mentor-protege assistance and other.

16 MR. LINSCOTT: No, that's good. That's where
17 we will start.

18 AGENDA ITEM II

19 MR. ELMORE: I was going to pass around a copy
20 of GAO's testimony from a field hearing that was held
21 down in Southern Virginia just Monday. Obviously,
22 there is not a lot of time to read through that

1 testimony right now.

2 Let me give you my quick take on it. I
3 thought GAO's testimony was actually very good and they
4 laid out a number of very specific steps that it would
5 take to reduce and try to minimize fraud, waste and
6 abuse in the SDVOSB program, but also if you read in
7 detail what they recommended, it probably would take a
8 10 to 30 percent increase in staffing across the entire
9 Agency. It would really be an incredibly intrusive
10 process into those Service disabled vet businesses who
11 do choose to engage in Federal procurement and the
12 Federal marketplace.

13 I think the testimony is really interesting.
14 I think if you read it in detail, you will see there
15 are two sides to this.

16 I don't want this discussion this morning to
17 be about this testimony, but the testimony is really
18 very informative.

19 With that, the Executive Order -- let me make
20 sure I read the exact language -- number two. We
21 talked about capacity and access to capital yesterday.

22 Number two is "Ensuring achievement of the

1 pre-established Federal contracting goals for small
2 business concerns owned and controlled by veterans and
3 Service disabled veterans through expanded
4 mentor-protege assistance and matching such small
5 business concerns with contracting opportunities."

6 My take is those two things they suggest are
7 fairly limited. If the first part of that statement is
8 "ensure achievement of the pre-established Federal
9 contracting goals" for veterans and disabled veterans,
10 in my experience, I am not convinced if you only
11 address "expanded mentor-protege assistance and
12 matching such small business concerns with contracting
13 opportunities," you are going to achieve the goal.

14 I also think, and I touched on this yesterday,
15 that the goal for veterans' small business is so
16 unclear that it's hard to describe it as a goal at all.
17 What we have is we have a subcontracting clause in the
18 public law that requires what is defined in the Federal
19 sector as "best efforts," which means the prime
20 contractors are supposed to make a best effort to
21 contract with veterans at the subcontracting level.

22 That is the extent of veteran specific

1 participation.

2 I would hope the Committee would now kick
3 around your best ideas and suggestions on how do we
4 really want to achieve those goals, and two, do you
5 have any ideas on whether or not those goals themselves
6 are adequate.

7 Three, mentor-protege and matching businesses
8 with contracting opportunities, are there other things
9 that we should consider as well.

10 That is sort of my intro, Mr. Chairman. Maybe
11 a little more about this for those who don't
12 understand. We are talking billions of dollars in
13 contracting opportunities. Obviously, Government has
14 not yet achieved the three percent goal for Service
15 disabled veterans.

16 Preliminary, not yet final data from fiscal
17 year 2009 shows we just got to just a touch over two
18 percent. The preliminary data is about 2.1, but we
19 don't have that as final yet, so I can't really report
20 that out officially.

21 We obviously still have a long way to go.

22 MR. GARCIA: The biggest problem is

1 certification. I think that is one of the items I saw
2 in this Task Force thing. That's been our concern in
3 our state anyway, certifying that company is a 51
4 percent veteran owned company, but also making sure the
5 guy is a vet. That is our biggest challenge. I see
6 that is probably one of the big issues here.

7 Do you run into that at all?

8 PARTICIPANT: We will see protests that come
9 across from time to time that would disclose someone is
10 not a veteran or because of the type of joint ventures
11 they have entered into, they are not performing 51
12 percent or receiving 51 percent of the proceeds.

13 MR. ELMORE: If you read the GAO testimony, it
14 is pretty informative about that. It looks not just at
15 the SDVOSB program but also at the VA's steps they have
16 taken so far.

17 What you run into -- initially, this was the
18 approach we took as an agency. We didn't put a
19 certification program in place. I didn't advocate for
20 one when I got here because I thought it wan
21 unnecessary burden for a new program to have vets have
22 to go through a verification or certification before

1 they even had a chance to compete.

2 Obviously, that has changed. It has been now
3 nine years into this. There is fraud. We know that.
4 The question becomes how do you minimize that fraud. I
5 think the first fix is relatively easy, and we are
6 actually in discussion with VA about that, and that is
7 you can verify a veteran's status pretty easily, either
8 through VA records or DOD records in the National
9 Archives. That's fairly easy to do.

10 The tricky part of this is the ownership and
11 control. To demonstrate and prove ownership and
12 control, which also goes to what my staff said, when
13 you get into joint ventures and affiliations, size
14 standards becomes a question based on who is doing the
15 majority of the work.

16 If Lockheed enters into an agreement with a
17 Service disabled vet small business and Lockheed is
18 doing too much of the work, now that small business is
19 a big business through affiliation.

20 It gets really technical. I think what you
21 run into or what VA has run into, I've seen draft
22 testimony where VA talked about spending 10 or \$12

1 million a year to try to verify the 16,000 businesses
2 in their database.

3 What you have in CCR is 67,000 businesses
4 right now owned by vets and disabled vets.

5 If you're going to move to a certification
6 program, you have the same time issues that VA has
7 faced with one quarter of the population, and you have
8 an enormous outlay of resources. You're talking 10 to
9 \$12 million for the VA. If we were going to do
10 something four times that size for vets and disabled
11 vets, you're probably talking 30 to \$50 million a year
12 to go out and simply verify this is owned and
13 controlled.

14 It gets very complicated and arguably it
15 becomes very intrusive. If you read that GAO
16 testimony, they talk about unannounced site visits.
17 They talk about Federal bureaucrats going in and
18 keeping up with Federal procurement data systems and
19 identifying anomalies, and identifying what number of
20 contracts a small business is getting.

21 If we don't like the way the anomalies read,
22 we are supposed to then go in and ask for their

1 operating procedures, go in and review their tax
2 returns, look at who is signing the signature cards and
3 who is making decisions and so on.

4 All of that to minimize fraud. All of that I
5 would argue also becomes an incredibly expensive and
6 intrusive process.

7 How do you sort of weigh on the one hand a
8 self policing system that clearly isn't working very
9 well --

10 MR. GARCIA: What are they doing with the 8(a)
11 program? They have to have similar issues.

12 MR. ELMORE: That is exactly what they do. We
13 go through these kinds of processes. The 8(a) program
14 only has about 8,000 businesses in it. There are
15 67,000 disabled vet businesses in CCR right now.

16 Are you going to do something ten times the
17 scale of the 8(a) program for what is arguably less
18 than five percent of the small business community of
19 veterans right now? That is really where the political
20 decision making comes in.

21 I'm not arguing for or against, but when you
22 really get into this in detail, at least historically,

1 how Government has done this stuff, it really becomes
2 incredibly expensive and it can become incredibly
3 onerous.

4 How do you do this? I will share with you
5 what we discussed internally, and I do not have support
6 for this. I suggested that if you are going to operate
7 on a scale where you have right now 17,000 disabled
8 vets in CCR, and I have the numbers here in my pile,
9 and another 40,000 and some odd veterans, it totals up
10 to 67,000, the only system that we have that has a
11 scale that can match that are our small business
12 counseling centers.

13 We suggested, I did, instead of putting a
14 centralized verification program in place in D.C., what
15 if we sought legislation to revise our contract
16 agreements with our small business centers and require
17 them to do this work.

18 We provide them funding right now. You might
19 have to increase their funding. You would have to
20 build out their expertise. It is logical to me to say
21 we have 900 small business centers. We have 100
22 women's business centers. We have 16 veterans'

1 business centers. We have 400 chapters.

2 Take all of them or some of them, perhaps
3 include PTACs, and have them do this verification. I
4 thought you would do two things. One, you would have a
5 scale of a system that can engage 60,000 to 70,000
6 small businesses in a way that it doesn't become too
7 onerous, and the other thing you would do sort of
8 extension is those small businesses would be engaged
9 with our best technical assistance.

10 If there are business issues that present
11 themselves, business ownership skills that are lacking,
12 then they would have immediate access to our best
13 business counseling and training to help them become
14 capable to compete.

15 That's what I suggested. I did not have
16 support for that internally.

17 MR. SHARPE: How do you verify the 8(a)
18 program?

19 MR. ELMORE: Right now, we have a centralized
20 verification process. All the things GAO recommended
21 are similar to the things we do in 8(a) and HUBZone.
22 We have site visits. We review documents. They give

1 us annual plans.

2 Essentially, you have people sitting in
3 headquarters and some of this work happens at our field
4 office level, not our partners, but through our
5 district offices, where we review these materials. I
6 believe it is every year.

7 PARTICIPANT: Yes, they do a financial review
8 every year and then if the companies decide to do a
9 joint venture, then the joint ventures have to be
10 approved through the servicing district office.

11 MR. ELMORE: Every agreement that a small
12 business would enter into is ultimately going to be
13 reviewed by us.

14 MR. GARCIA: Doesn't that create more hurdles?

15 MR. ELMORE: I think it does.

16 MR. GARCIA: It is going to almost discourage
17 some of these people.

18 MR. ELMORE: Again, that is sort of the crux
19 of this. The program right now is designed to run on
20 an honor system that clearly isn't working.

21 MR. SHARPE: What is the program like for 8(a)
22 and HUBZone?

1 MR. ELMORE: It's actually similar. I
2 couldn't give you a percentage but there continues to
3 be, even with those systems, same in the State of
4 California, where there is a state certification
5 system, there continues to be fraud in all these
6 programs.

7 MR. GARCIA: Across the board.

8 MR. ELMORE: Yes, every small business across
9 the board.

10 MR. GARCIA: What is SBA trying to put in
11 place? Is that SBA's responsibility?

12 MR. ELMORE: It is to a degree. It's actually
13 each agency's responsibility as well. When you get
14 into sort of the nuance and the detail of this, SBA
15 through our regs sets the umbrella structure, and
16 through the FAR sets the operational structure.

17 You have this sort of dual headed approach and
18 FAR doesn't answer to SBA. We prepare cases for the
19 FAR counsel and some of the others as well. Bill, you
20 may know more about this than I do.

21 PARTICIPANT: The first line of defense in
22 preventing fraud is at the desk of a contracting

1 officer.

2 MR. GARCIA: Is what?

3 PARTICIPANT: The contracting officer in each
4 agency.

5 MR. ELMORE: Each agency's individual
6 contracting officer is ultimately where the first line
7 of defense or responsibility is.

8 PARTICIPANT: When I first came into the
9 profession, contracting officers were going out and
10 doing reviews. All contracting officers traveled.
11 They would go in and basically do a review of the
12 company they were working with.

13 In today's environment, everybody is sitting
14 behind the desk. There isn't a budget for travel. The
15 companies --

16 MR. GARCIA: You could put a system in place
17 similar to our VSOs. We are processing claims. You
18 are getting some that aren't vets, some that claim they
19 have disabilities they don't have. The first level of
20 defense is that VSO that helps file that claim, or in
21 this case, the PTAC guy. Then it goes before the
22 national accredited service officer that reviews it,

1 makes sure it is all done right, and from there, it
2 goes into the VA system.

3 If it's denied, then you have a right to
4 appeal it.

5 MR. ELMORE: Yes, there is an appeal process.

6 MR. GARCIA: You do all the checks and
7 balances and once it's all done, then the VA will say
8 he's certified 75 percent disabled.

9 There was a layer they went through and they
10 cut it down to four to six months in some cases, once
11 it goes through the appeal process, it takes time.

12 Maybe something like that has to come in
13 place. I don't know if there is or not.

14 MR. ELMORE: What you just sort of moved to is
15 how I thought about it when I stepped back and said
16 what assets do we have as an agency that is
17 geographically dispersed enough and of enough scale
18 that we could take on the 67,000 small businesses.

19 MR. GARCIA: You would almost have to have
20 veteran business service officers out there.

21 MR. ELMORE: Yes.

22 MR. GARCIA: In our case, we are going to try

1 to hire one or two more people. I will have one down
2 South and one up North and Central. I will have three
3 veteran service officers, let's just say. We will have
4 to do that. We want to do our own certification.

5 One, I don't want some guy to tell me he is
6 Service disabled and he's not. Two, make sure he is a
7 vet. I don't trust that system once it gets up here.
8 We want to do it at our own level.

9 MR. ELMORE: The direction, again, I tried to
10 go was it would be a transformative process, probably
11 over a couple of years, we would have to change the
12 kind of expertise we have in our 8(a), HUBZone, women
13 owned business and disabled vet programs. They would
14 have to become trainers and managers of a system of
15 engaging let's say 1,000 different small business
16 centers out across America where every vet, every
17 woman, every 8(a) firm, every HUBZone firm would be
18 able to go to and go through this process at a local
19 level.

20 MR. GARCIA: I think at the local level, you
21 have so many companies out there that are charging
22 these guys a fee just to get these contracts, we have

1 seen it.

2 MR. ELMORE: What it comes down to, and this
3 is the argument that I have internally every day when I
4 get frustrated about this stuff, we have about 60 staff
5 called procurement center representatives. They are as
6 close SBA comes to having field staff who are supposed
7 to engage in this contracting process. They are
8 supposed to advocate for and break out contract
9 opportunities.

10 Those 60 are not nearly adequate to take on
11 the 339,000 small businesses in CCR who are competing
12 for these Federal contracts.

13 We don't have the scale. Arguably, the only
14 systems that do have a scale is the contracting
15 officers themselves in every agency. We have no
16 functional role in managing those contracting officers.
17 We can't make a DOD contracting officer go out and
18 investigate for fraud.

19 MR. LINSKOTT: I don't think we want to.

20 PARTICIPANT: We just want them to properly
21 administer the contracts.

22 MR. LINSKOTT: That's right. Right now in the

1 current system, if the contracting officer is the
2 ultimate line of defense for fraud, number one in my
3 mind, that doesn't serve our community at all because
4 what does a contracting officer want to do? Execute a
5 best value procurement for the Government and move on.

6 They want the goods and services to be
7 provided and personally I don't think they really care
8 if the one that provides that service is a little
9 business or not a little business, I don't think they
10 really care.

11 If that is your first line of defense, our
12 programs are going to get bypassed because all the
13 contracting officer really wants is a best value
14 procurement for the Government and move on.

15 MR. ELMORE: He wants to get that job done and
16 underway.

17 MR. ELMORE: Get it behind him, get a best
18 value procurement so the Government got the best value
19 for their buck and then move on to another task.

20 MR. ELMORE: Yes.

21 MR. LINSOTT: I believe the only way to make
22 the honor system work is to put the burden on the small

1 business. I'm a small business. If I had to justify
2 and prove through some kind of corporate profile or
3 some kind of documentation, it would just be another
4 step I'd have to do to certify/justify my proper
5 application of my award, and it would be a post-award
6 document that has to be validated and certified.

7 If that required me to go to an SBA district
8 office to meet a Jim Snyder and get him to stamp off on
9 an one deal, for this award, I'm good, then I can move
10 on with serving my contract.

11 MR. SHARPE: Isn't it kind of like the home
12 loan program? You have to kind of show some sort of
13 paperwork that you are a veteran. The VA works with
14 all kinds of brokers and they kind of work together to
15 ensure that the paperwork is done.

16 MR. ELMORE: Yes. The home loan program,
17 there is a certificate of eligibility, and you apply.
18 VA does their internal work to make sure you are a
19 veteran.

20 MR. LINSKOTT: What I'm saying is what I think
21 I just said makes it different, I'm saying it's a
22 post-award thing. Then it doesn't impact every single

1 veteran business, 329,000 businesses, that have to do
2 this. It only affects a post-award situation which
3 then you have to validate your right to have that award
4 based on those terms.

5 It is only the awardee. If you can't do that,
6 then the contracting officer can move immediately to
7 the next best value and proceed on down the line.

8 Not every small business has to do the
9 pre-certification hurdle. It is a post-award
10 requirement.

11 PARTICIPANT: I'm going to tell you, that is a
12 headache for the contracting officer to expect a
13 company to be certified after the award. These are
14 things that should be accomplished in what we call or
15 what I call the pre-award survey.

16 If the contracting officer is going to make
17 that award, he or she is going to build in enough time
18 to make sure that certain things are done before they
19 make an award.

20 MR. SHARPE: Exactly.

21 MR. LINSOTT: That's fair enough.

22 PARTICIPANT: Believe me, everything is really

1 falling on the shoulders of the contracting activity.

2 When I go out and do my presentations, I inform the

3 public that spending has increased by 140 percent,

4 which did not include the stimulus money, but we have a

5 contracting staff that over the years decreased by 20

6 percent. Now we are in the process of trying to

7 correct this, but we are doing it with a lot of

8 inexperienced people.

9 It usually takes about ten years to get a good

10 contracting specialist/contracting officer. The

11 agencies realize it. We have this problem where we

12 have a staff that should always be in the phase of

13 mobilization, so we can deal with emergencies that pop

14 up.

15 If we're going to end up in a conflict

16 somewhere, then you have to have the folks behind the

17 lines writing the contracts to make sure the supplies

18 get to the front lines. That is not the case.

19 We have experienced that. We have seen that

20 in our wars in the Middle East.

21 MR. GARCIA: Contracting officers, there is a

22 sense of urgency, because of the timing of these

1 contracts. They have to be let out.

2 MR. ELMORE: There's is enormous internal
3 pressure sometimes.

4 MR. GARCIA: It's not like the VA where there
5 is a timing factor.

6 MR. ELMORE: Right, you have 90 days for this
7 and 120 for that.

8 MR. GARCIA: Your side, if you have 90 days to
9 get this contract, if you don't move, this guy, small
10 business, is going to lose it.

11 MR. ELMORE: I want to follow up on where I
12 think you were going, Jeff, because it kind of mirrors
13 what I tried to present inside. I also included going
14 through VA getting a certificate of eligibility, having
15 it signed off at a number of levels, but I think I had
16 too many steps in the process.

17 I think what you are suggesting, and Bill, I
18 would be interested in your comments or anybody else,
19 if you are going to compete for a contract and you say
20 you are a disabled vet or a vet, you essentially come
21 in with a piece that says or essentially swears here is
22 what I am that becomes a part of the contract, that is

1 challengeable through the protest process, and I would
2 argue would have criminal penalties applied to it if it
3 is found to be fraudulent.

4 MR. SHARPE: It's not hard at all to get a
5 DD-214 and statement of Service connection from the VA,
6 just like the home loan.

7 MR. ELMORE: The status is easy. Where the
8 trick comes in and where the problem lies, and if you
9 read this GAO testimony, you will see it there as well,
10 it is not the ownership usually. I shouldn't say that.

11 It's not the veteran's status usually. It's
12 the ownership and control. It is who is managing and
13 actually doing the business. It is the affiliations
14 when you have them.

15 One of the cases in this testimony talks about
16 a guy that subbed it out to some foreign company and he
17 was getting like five percent of the profit and the
18 foreign company was getting 95 percent of the profit,
19 but you don't know that until after the contract has
20 already started.

21 MR. SHARPE: I don't understand. You come in
22 with your paperwork and then I'm sure there is other

1 paperwork saying what other organizations are working
2 with you or how are you going to fulfill the contract.
3 Isn't that part of the process?

4 PARTICIPANT: They will submit a proposal and
5 they are supposed to discuss how many man hours the
6 prime, Service disabled vet, will use to accomplish the
7 task, and then how many man hours, if we are talking
8 about a service contract that the sub will accomplish
9 the task, and who the project manager is.

10 Where we are having problems is once that
11 contract is awarded, the project manager, for instance,
12 a large contractor, shows up. They are running the
13 contract. That person is reporting to the large
14 business. There goes ownership and control out the
15 door.

16 The other problem we have is the way the
17 corporation has been established, the Service disabled
18 vet, and I've got a case right now where two
19 accountants are the ones that had the majority of the
20 voting rights from the company. That is not clearly
21 evident when you look at the person sitting at the
22 table.

1 MR. GARCIA: The person at the table said it
2 was 51 percent owned?

3 PARTICIPANT: Yes.

4 MR. GARCIA: There was no documentation?

5 PARTICIPANT: Some of our veterans believe
6 that they own 51 percent and they are in complete
7 control but their partners, because of the legal
8 documents that they put together, shows they have all
9 the voting rights.

10 I've got a veteran that has been voted out of
11 his company. He's in court now.

12 MR. LINSCOTT: I think it still goes back to
13 the burden -- it can't rest with the contracting
14 officer. It has to rest with the veteran owned
15 business. The veteran owned business is the one that
16 benefits from having the contract and they get the
17 contract through a status. It still would come back to
18 a pre-award document or verification.

19 I think it has to be specific
20 to -- personally, I think it has to be specific to the
21 actual procurement event, not a generalization that
22 changes over time. Each procurement event is so

1 unique.

2 PARTICIPANT: Understanding that contracting
3 officers are always going to lean towards the path of
4 least resistance, and if you put another step in their
5 process, because right now --

6 MR. LINSKOTT: I don't think the step goes
7 into their process. I think the step --

8 PARTICIPANT: If we are saying post-award --

9 MR. LINSKOTT: No, I'm saying pre-award. I'm
10 saying the plan I propose, bla, bla, bla, to be managed
11 by 51 percent that meets this criteria would have to be
12 taken in essence to an SBA district office, reviewed,
13 stamped off as the plan, with a statement that says I
14 swear this is true and correct and this is the plan.

15 That goes to the contracting officer. Now the
16 burden of validating this isn't on their shoulders.

17 PARTICIPANT: For instance, for bonding
18 capacity, if you need a bond, it must be provided
19 before award.

20 MR. LINSKOTT: True.

21 MR. GARCIA: The thing that is interesting is
22 a lot of these guys that work with me, and you will see

1 them at the Las Vegas conference, they are 8(a), they
2 are HUB. They have been through all this process.
3 They already know all that. This is just another
4 little edge that they have. It's not like this is
5 brand new to anybody.

6 Like Lloyd was saying, a lot of it is also
7 re-education. There has to be an education process.

8 PARTICIPANT: Absolutely.

9 MR. GARCIA: That has to take place. If you
10 said, hey, John, we will come out to New Mexico and we
11 will brief everybody. They are willing to learn. They
12 want to know this. About 90 percent of the people I
13 think we talk to, they have been and are 8(a), HUBZone,
14 so it's not like they just woke up one day and all of a
15 sudden this is new.

16 MR. ELMORE: Let me back you up and follow up
17 with Jeff. I think we are moving towards what might be
18 a pretty reasonable solution here. That is the idea of
19 requiring this sort of solicitation document, it
20 becomes part of the solicitation, becomes part of the
21 record. If you're chosen, this is in the contract.
22 There is essentially an addendum that says I am what I

1 said I am.

2 MR. SHARPE: If you're not?

3 MR. ELMORE: Your point is before they go bid,
4 they have to take this document to either an SBA
5 district office or perhaps an SPA partner? Could be a
6 small business center?

7 MR. LINSCOTT: It needs to be validated by
8 someone other than the contracting officer. It would
9 be simple --

10 MR. GARCIA: At that state level. Come into
11 my office, we will validate it, certify it. That was
12 my argument all the time even with the VA, you're
13 getting anybody and everybody. Then you will deny them
14 way down the road when I could have done it right up
15 front. I could have made sure he's a vet, make sure
16 he's Service disabled, make sure he's 51 percent owned.
17 We could do all that at the state level. Your SBA
18 offices aren't doing that.

19 MR. ELMORE: No. That's kind of my point. We
20 talked about that yesterday. Some are great. Some are
21 good. Some are not so good.

22 The scale of our technical assistance

1 providers, I'm more comfortable with the expertise in
2 the small business centers, the veterans' business
3 centers, than I am in the district office. Those
4 centers are focused on entrepreneurship. I assume they
5 are going to know more about ownership and control,
6 management, bookkeeping, those kinds of things, than a
7 GS-13, that business officer, who maybe has never owned
8 a business. That's my assumption.

9 I think if we use our technical assistance
10 partners, it would still probably have to coordinate
11 through the district office because they are
12 responsible locally --

13 MR. SHARPE: That is another justification for
14 having it.

15 MR. GARCIA: It's no different than what the
16 VA does now just to file a claim. As a case in point,
17 I had a guy come in and said he had PTSD because he
18 didn't go to Vietnam. We were like, oh, okay. We're
19 working it, but --

20 (Laughter.)

21 MR. GARCIA: That process, I think, has to
22 start at that level.

1 MR. WHITE: He doesn't have that, he has a
2 condition called elephantitis in the testicles.

3 (Laughter.)

4 MR. SHARPE: You have to jump through a lot of
5 hoops.

6 MR. ELMORE: Exactly, to get that certificate.
7 You guys are really moving in the direction I was
8 moving in, but you have defined it further.

9 MR. LINSCOTT: I don't like the
10 pre-certification thing. (a) it affects everybody that
11 might not even bid for a contract necessarily, and (b)
12 what I think I see is the entity gets a contract, now
13 their annual sales go up a little, then they get
14 another one, now they go up some more.

15 Now somebody might have bought into the place
16 after the certification, and now they don't own
17 anything. They still got a certification and they are
18 still doing business.

19 MR. SHARPE: I would think you would only need
20 a certification if you were trying to get a Government
21 contract.

22 MR. LINSCOTT: I think that is specific to the

1 individual contract. Every procurement situation is --

2 PARTICIPANT: If you're dealing with supplies
3 where companies do not have to present cert's and
4 rep's, then you wouldn't use that process for supplies.

5 The databases like the Vet VIP would suffice,
6 once they are up and running, but for the service
7 contracts where folks are entering into certain types
8 of agreements to accomplish the task, we would need to
9 have that certification in the files.

10 MR. SHARPE: If you're not going to use the VA
11 home loan, you're not going to go through that process.

12 MR. GARCIA: This to me says they want to
13 create something. Are they going to come to you all
14 here to put some mechanism in place? It sounds like
15 they are coming up with justification to fund something
16 that has some checks and balances.

17 MR. ELMORE: I don't know that they are
18 developing the justification because they think the
19 expense of doing the recommendations in there would be
20 so enormous that you'd have to have probably another 30
21 to \$50 million a year to the SBA budget just to do
22 this. I don't think that's realistic.

1 I think you're right, they are trying to put
2 pressure. GAO is an arm of Congress.

3 MR. GARCIA: Right, this is where this is
4 coming from.

5 MR. ELMORE: Right.

6 MR. GARCIA: Somebody is trying to find a
7 venue to put money in.

8 MR. ELMORE: At some point, is Congress going
9 to pass legislation that says SBA, you're going to
10 create this program and here's the funds to do it.

11 MR. SHARPE: You know, again, the VA home loan
12 program is the only Government agency that is making a
13 profit. A lot of that is because you pay that fee.

14 MR. ELMORE: Even in my little design I put
15 together, I had VA issuing a certificate of eligibility
16 to prove veteran status. That was essentially the
17 first step in like this six step process that I
18 designed and gave to some of my other policy people
19 about how to try to do this.

20 It was similar, Jeff, a little more detailed,
21 than what you suggested, that you had to have this
22 document that at the end, if this document wasn't there

1 and signed off, you didn't get the contract.

2 That's how I tied it in, you had to go through
3 essentially a separate second process that was fairly
4 onerous to be able to compete and succeed in Federal
5 contracting. I didn't get support for that. That was
6 internal.

7 This is a Task Force that reports to the
8 President. Something has to be done.

9 I want to bring up another point, and I really
10 would appreciate, Joe, if you could help me think this
11 through.

12 There is also what is called the Stolen Valor
13 Act that has criminal penalties right now that says if
14 you claim to have some award or to have done something
15 in military service that is proven you didn't do, there
16 are criminal penalties.

17 I thought to myself is there any role in this,
18 would that be another way to bring essentially the
19 Justice Department, because one of the issues we face
20 here is if we send a referral over to the Justice
21 Department and let's say they are sitting there saying
22 okay, am I going after BP for the oil spill or am I

1 going after this small business in Ohio who
2 misrepresented their status.

3 Well, the Justice Department is probably going
4 to weigh over on the BP side and not deal with us.
5 That's one of the issues we face, we can't bring these
6 kinds of charges. It has to be Justice. There has to
7 be political support.

8 MR. WHITE: Remember, there was a list
9 available. It was the late 1980s/early 1990s. I think
10 it was -- I forget who put it together. It was a list
11 of veteran owned businesses supposedly.

12 It said if you misrepresented yourself and
13 you're actually not a veteran and you put your name on
14 this, you are given the opportunity to take your name
15 off because they changed it and it was a felony charge.

16 All of a sudden, the list was down to about 20
17 percent of what the list was.

18 MR. ELMORE: The only list I was ever aware
19 of, and it goes back like 25 years ago, was the
20 Department of Commerce through the NEP had a list. I
21 worked with them in St. Louis. I think that was self
22 reported.

1 MR. WHITE: I don't know if I got it through
2 Bill Truitt when he was still here or not.

3 MR. ELMORE: Before we went to CCR, there was
4 something called the procurement automated source
5 system pass. There, you designated just like you do
6 now, that I am a vet or disabled vet.

7 MR. WHITE: They said if you misrepresented
8 yourself, it's a felony charge. The list dramatically
9 shrunk overnight.

10 MR. ELMORE: There are penalties on paper if
11 you misrepresent. The problem is we don't have any
12 real enforcement authority or ability over that. What
13 we end up doing if we think there's a misrepresentation
14 that is intentional, we refer it to the IG.

15 We can refer it to Justice but we can't get
16 Justice to take action. We can't really get the IG to
17 take action.

18 MR. WHITE: Even if it was on the form you are
19 talking about to verify to come into this, on the
20 bottom of this, it says you understand that if you are
21 misrepresenting anything here, it's a felony charge and
22 you will be prosecuted, and then you sign.

1 MR. ELMORE: Exactly. This six step process
2 that I designed initially when we had the hearing last
3 November, that was one of the points that I put in
4 there, every step in the process, CCR, VET-Biz,
5 everybody involved in this, you are hammered with if
6 you misrepresent, you are subject to these criminal and
7 civil penalties.

8 If it were up to me, I would pull their
9 charter, but that's not going to happen.

10 MR. LINSKOTT: I think the absolute critical
11 aspect of this is you have 16 centers this year and
12 some other things. Whatever the solution to this is
13 has to be backed financially or we are just spinning
14 our wheels.

15 MR. ELMORE: Yes. More levels of frustration
16 for everybody.

17 MR. GARCIA: This GAO report puts the blame on
18 SBA and the VA.

19 MR. ELMORE: And all the other agencies.

20 MR. GARCIA: Mainly, it's the SBA. They're
21 saying the VA is not really validating this is a
22 Service disabled veteran company on the certification

1 program. It says the SBA has a lack of Government wide
2 control and lack of validation of information and
3 non-existent monitoring of compliance.

4 That's the whole SBA system they just
5 challenged there. It's not just, I think, for veteran
6 status. It is all.

7 MR. ELMORE: All of Government.

8 MR. GARCIA: It seems to me there is some
9 house cleaning, they are saying, that has to take place
10 here and they are going to have to change the SBA, the
11 way it's doing business. If I was your Administrator,
12 that's what I'd be reading.

13 MR. ELMORE: I don't disagree with that.
14 Right now, functionally, we're not capable of doing
15 this job for 20 percent of the Federal --

16 MR. GARCIA: You just gave some stats on 60,000
17 and some businesses. There is no way, based on what
18 I'm seeing. There's no way. There has to be a
19 cultural change here.

20 MR. LINSKOTT: That's 60,000 reported this
21 month.

22 MR. GARCIA: The crisis in the country, if

1 small business is what is going to make this whole
2 thing work, the President was saying that kind of
3 stuff. There has to be a cultural change.

4 MR. ELMORE: I do not disagree.

5 MR. GARCIA: If they are going to get serious
6 anyway.

7 MR. ELMORE: I think hopefully, and this is
8 why I wanted to go through this discussion, and we
9 talked about this yesterday, we have an Executive Order
10 signed by the President that says come up with these
11 solutions. Whether or not they are going to be
12 implemented or acted upon, we don't know. It says come
13 up with some kind of solutions including achieving this
14 Federal procurement goal for veterans and disabled
15 veterans.

16 MR. GARCIA: Again, I go back to what I said
17 yesterday. I think you have to begin at the state
18 level. I think if we're targeting and you have these
19 veteran business resources offices out there and the
20 PTAC guys -- I was talking to your regional SBA
21 coordinator here -- I think we are all in agreement,
22 there needs to be veteran business region coordinators

1 that tie in at the state level.

2 There has to be a cultural change.

3 MR. ELMORE: Let me ask this. Again, the
4 purpose is let's come up with realistic recommendations
5 that go into this Task Force arena and let this Task
6 Force as it gets established discuss it and come to
7 whatever conclusions they are going to come to.

8 The third recommendation that I'll share with
9 you that my staff came up with was that you simply add
10 disabled veteran certification to the 8(a) and the
11 HUBZone certification. Right now, some of those
12 businesses in those programs are --

13 MR. GARCIA: There was legislation for that.

14 MR. ELMORE: Yes, not to throw disabled vets
15 in the 8(a) program.

16 MR. GARCIA: There was argument against that.

17 MR. ELMORE: I understand. It wasn't put them
18 in the program, it was use the program certifications
19 and extend those certifications to veterans that are in
20 those programs first. Second, from there, you might be
21 able to have those program offices do those
22 certifications, not for the 8(a) program, not for

1 HUBZone, but for the Service disabled vets' small
2 business program.

3 That's another way to do it. We have I don't
4 know how many employees sitting upstairs, 40 or 50,
5 doing this paperwork every day for the 8,000 8(a)
6 firms.

7 When you start talking about doing it for --

8 MR. GARCIA: You have to break it down.

9 MR. ELMORE: Yes.

10 MR. GARCIA: You have to take it to the state
11 level.

12 MR. ELMORE: I think it goes back -- I agree
13 with you, Jeff. If you're going to participate and
14 compete in the Federal marketplace, there are certain
15 things you would have to produce and provide that would
16 be tied to some scrutiny, part of the contract
17 agreement, and I think that's a good idea.

18 Also have some ability for follow up if there
19 is reason to believe there's a need to follow up. I
20 think the only scalable way we can do that right now is
21 through our partners. We don't have the staff. We
22 have 2,100 employees and there are 339,000 small

1 businesses in this market right now, and this is only
2 one of the four or five things we do.

3 MR. SHARPE: I don't see why you can't do that
4 with VA.

5 MR. ELMORE: I absolutely agree with you.

6 MR. SHARPE: VA is out there. They have the
7 staff.

8 MR. ELMORE: That's a good point. I've always
9 thought of it that VA can certainly verify the veteran
10 status, which is why I thought of the certificate idea.

11 MR. GARCIA: Service connected.

12 MR. ELMORE: The second stage that maybe
13 you're hinting about is should VA field staff be
14 involved in these localized visits. Is that what
15 you're suggesting, to sort of follow up and make sure
16 and these affiliation questions?

17 MR. SHARPE: I think they can share the burden
18 with SBA, as long as SBA is in the lead.

19 MR. GARCIA: What you were saying earlier.
20 What we said yesterday, the VA is not in the business
21 of business. They are in the business of home loans.
22 That's where they are doing well. They are in the

1 business of claims and health care, that kind of stuff.

2 Not until the VA gets serious about maybe
3 creating kind of a home loan Biz program. VA doesn't
4 have that. There is no funding. There's no discussion
5 from the VA about VET-Biz development. You all, on
6 this side of the fence, has this public law for vets
7 in biz, the VA doesn't. They don't even promote it.

8 CVE, I don't see it any more. I don't even
9 know what it's doing any more. Do you see what I'm
10 saying?

11 MR. SHARPE: I mean VA as far as assisting in
12 certification of Service connection.

13 MR. GARCIA: That, they do.

14 MR. SHARPE: I think they can assist SBA in
15 that. That's about it.

16 MR. ELMORE: We're in some discussions with VA
17 about doing some joint efforts. This is part of that
18 discussion, at least the verification side of it.

19 Let me ask you a question, Joe, and you as
20 well, John. There are, I don't know how many service
21 officers around the country, let's say 1,000. I don't
22 know how many between the Leagues, VFW and Vets --

1 MR. GARCIA: More than that.

2 MR. ELMORE: 10,000?

3 MR. GARCIA: You have county service officers.
4 VSL service officers.

5 MR. ELMORE: I'm prejudiced in my view of
6 those guys and gals because I think most of them aren't
7 capable of doing much more than they do now. That's my
8 prejudiced view from my experience.

9 Is there a role for accredited service
10 officers in this question or do we simply want to stick
11 with the SBA technical providers?

12 MR. SHARPE: SBA technical providers.

13 MR. GARCIA: If you ask me with my service
14 officers, I'd say the only role my service officers
15 play for Lloyd and my VET-Biz office is to help file
16 the claim for the VA. They're trained and accredited
17 for VA claim processes. They're not business
18 developers. I'd have to re-tool my service officers
19 with a business background to understand it.

20 When we get a veteran that's interested in biz
21 development, all we do is refer them to my service
22 officer and that's all I want my service officer to do,

1 then he comes back to Lloyd and Lloyd does the business
2 side of it.

3 MR. ELMORE: I'm not asking to do it. I'm
4 asking for your input.

5 MR. GARCIA: I think that is across the board.

6 MR. SHARPE: I think it should stay with the
7 service connection part of it.

8 MR. ELMORE: Jeff, if you don't mind me saying
9 this, I guess what I would ask is if you think this
10 sort of basic idea that we have just kicked around is a
11 legitimate idea, how do we write this up? Does the
12 Committee want to write up sort of your first version
13 of this and float it around so the members that aren't
14 here get an opportunity to think this through and be
15 involved in it?

16 Do you want me to try to flesh out a paragraph
17 or two? I'm not sure -- I have a lot of stuff to work
18 on here.

19 MR. LINSCOTT: I think this is something we
20 want to address as the Committee, a recommendation that
21 could have all our input. I think this particular
22 issue needs to have a letter from Felix or the

1 Committee that goes to the Administrator through you.

2 It's not a paragraph.

3 MR. WHITE: This is part of the Task Force.

4 It is just addressing this one question. We don't need

5 a separate letter going to the Administrator for that

6 one point. It would just be part of our

7 recommendations on this whole deal.

8 MR. SHARPE: That's fine.

9 MR. LINSKOTT: I'll put that out in an e-mail

10 as I go through. I've already started a draft e-mail

11 from all our recommendations. I'll incorporate this.

12 As you look to the solution, I think maybe you

13 have to look to the problem to clearly identify it. In

14 8(a), how many people work 8(a)?

15 MR. ELMORE: I think it's like 47 or

16 something, and then each of our district offices has

17 somebody. I can get that number.

18 MR. LINSKOTT: How much in HUBZone?

19 MR. ELMORE: I think about half of that.

20 MR. LINSKOTT: That could be the beginning of

21 identifying the first of this problem and the solution.

22 The SBA looking internally. We have 2,100 employees.

1 In 8(a), we have 47 plus a bunch in the field. In
2 HUBZone, we have 25. We do have a law that says three
3 percent of Federal procurement will go to Service
4 disabled. We have one person.

5 When was that law implemented, the three
6 percent goes to the Service disabled?

7 MR. ELMORE: The regs came out in 2001.

8 MR. LINSKOTT: 2001 to 2010, internally, in
9 the SBA, we have failed inside to address this program
10 period, and then we got kicked in the teeth by the GAO
11 for not doing a dang thing about it.

12 Maybe inside the Veterans' Division of this
13 needs to get 47 employees that could work this issue
14 and really solve this issue.

15 MR. GARCIA: Probably. I think that's what we
16 were talking about yesterday.

17 MR. LINSKOTT: 25 employees.

18 MR. GARCIA: You're going to have to create
19 some level of your department.

20 MR. ELMORE: There has to be some scale of
21 ability to engage this.

22 MR. LINSKOTT: Lloyd has someone he can call

1 for training and guidance and standards and new
2 upgrades and new modifications.

3 MR. GARCIA: You need some big guns now.

4 MR. LINSKOTT: I think that's the crux of the
5 real issue. This program has never been supported from
6 day one.

7 MR. GARCIA: You're absolutely right. I think
8 that's why you're finding this. You're right. Fund
9 it, it will be successful, at that level.

10 MR. LINSKOTT: To the Task Force, number one
11 thing, SBA, fund your own program, support it. Not lip
12 service, support it. The second thing in this regard,
13 for the record, is 20 some huge recommendations
14 yesterday. SBA application process to have are you a
15 vet or not. Then you can start getting a better handle
16 on it.

17 I think the other key issue here is 25 or 27
18 or whatever it is percent of all small businesses owned
19 by a veteran, this organization only has how many in
20 your office?

21 MR. ELMORE: With me, nine.

22 MR. LINSKOTT: Nine folks do 25 percent, in an

1 2,100 person organization, nine employees. 329,000
2 small businesses.

3 MR. ELMORE: 339,000.

4 MR. LINSKOTT: 339,000, 25 percent of that
5 roughly, 85,000 small businesses and we have nine
6 employees.

7 MR. GARCIA: You're out there promoting this
8 thing and some vets are applying, they are sending in
9 their applications, they are being denied, whatever is
10 happening. It's going to crash and burn. It's going
11 to set it up to fail if we don't make a strong
12 recommendation and push it.

13 MR. SHARPE: For the record, this is why a lot
14 of the VSOs want to move this program to VA, because VA
15 has the money. It has the personnel.

16 MR. ELMORE: They have the scale.

17 MR. SHARPE: Exactly.

18 MR. CALDERON: I'd like to make a comment if I
19 may. I'm Lloyd Calderon, Veterans' Business
20 Development Director for State of New Mexico. I've
21 been listening to the conversation.

22 Two things really pop out to me. Number one

1 is education. Veteran business owners, the ones I've
2 run across, always seem to want to do the right thing.
3 Unfortunately, they don't know what that right thing
4 is. I've seen it go back and forth. I talked to one
5 company that did a joint venture. I asked to see the
6 joint venture contract. They said we don't have one.
7 What do you mean you don't have one. I just flipped
8 out. They only got like ten percent of this contract.

9 They don't know what they don't know. I think
10 if there was a process in working with the PTAC folks
11 in New Mexico to create these certifications, and when
12 I go back to New Mexico, I'll ask the PTAC folks to do
13 a certificate for what really is involved when it comes
14 to the Federal Government and joint ventures and
15 teaming, understand what you're doing before you get
16 into it. That's the first part.

17 Second part is you can attack this thing, and
18 it's an elephant, and you're not going to get very far.
19 There is a lot of competing interests out there for
20 money. I would recommend you look at this at a state
21 level, maybe pick a state or two that has a veterans'
22 business outreach center already, and assist them in

1 providing the verifications you need, issuing a
2 certificate of eligibility at the state level, and we
3 can work with the Secretary of State's Office. It is
4 an ownership issue. It's not I'm a veteran or I have a
5 disability. That's a piece of cake.

6 It's the ownership issue. The VBOC holds the
7 certificate and when it is needed, they present it to
8 the veteran and they put that in as part of their
9 proposal for a solicitation. That way, the Secretary
10 of State's Office has been involved. The veteran
11 community has been involved.

12 If it goes down the tubes, the burden is on
13 the business owner.

14 We've got a verification program. I call it a
15 verification program because that's all we can do, you
16 tell me what it is and I'll look at it and you tell me
17 this is accurate and I'll say okay.

18 The burden is always on the business owner to
19 be doing the right thing all the time. If they're not,
20 then it's up to them to face a penalty.

21 I don't believe because it's so huge that you
22 can address this unless you get maybe one agency that

1 says we will be the point of contact, and that probably
2 is never going to happen without 30 to \$60 million in
3 resources, but if you do break it down to the state
4 level, then you get a state specific certificate of
5 eligibility that's verified through the Secretary of
6 State, and the veteran puts his or her name on it, and
7 they go to jail if it's wrong.

8 MR. ELMORE: Do you think it's realistic to
9 get the secretaries of states to take these steps with
10 us?

11 MR. CALDERON: I believe so. This really is
12 an economic development engine. We're doing this in
13 New Mexico. We're going to create businesses where
14 nothing exists right now because we know there's
15 Federal industry. It might be this much or this much.
16 We're going to find veteran small businesses that are
17 veteran owned, Service disabled, and we are going to
18 plug them in.

19 Yuma, Arizona, the unemployment rate is 25
20 percent. There is the Marine Corps Air Station in
21 Yuma. San Diego is just up the road. There's no
22 reason why the unemployment rate in Yuma should be 25

1 percent. Everybody is buying something, paper, pens.
2 We have to find that business owner that is a veteran
3 or Service disabled vet, get the community, the state,
4 the city economic development folks to wrap their arms
5 around them and help them bring those Federal dollars
6 in. The vehicle is there. It's there. We just need
7 to plug them in.

8 I think economic development would jump all
9 over this. Why? Because it creates jobs and brings
10 revenue to the state. That's the only reason.

11 MR. LINSKOTT: Do you in New Mexico have
12 access to the Secretary of State's corporation
13 database?

14 MR. CALDERON: I don't believe we have access.

15 MR. LINSKOTT: Can you send a request for
16 information and get them to send you what's on their
17 Secretary of State corporation filings?

18 MR. CALDERON: We haven't done that to date.
19 We probably could. Is there a law that prohibits
20 sharing that information between two state agencies?

21 MR. GARCIA: I'm not quite sure on that.

22 MR. CALDERON: I'll look into it.

1 MR. GARCIA: Like most states have a three
2 percent set aside. You go through the Secretary of
3 State's Office anyway so you can be a legit company and
4 then it goes into our General Services Division and
5 then they have to verify and validate that is in fact
6 who they are before they can even apply for any kind of
7 state contract. We have that process in place now.

8 I don't see why we can't just extend it over
9 to my vets. We're going to try to push that. If it
10 was a three percent set aside, our GSO Department would
11 have the same requirements for validation,
12 certification, everything.

13 That's where it starts, at the state level.

14 MR. ELMORE: In t his basic model that we
15 kicked around a few minutes ago, if there's a
16 legitimate way to loop in, and you said let's do it in
17 a state initially where there's a vet business outreach
18 center.

19 Do you think this would be doable in a state
20 where there is not a vet business outreach center but
21 obviously there's a small business development center?

22 MR. GARCIA: I think SBDC can do that. I

1 don't know if they will do it as effectively. That is
2 why we are having difficulty. Your offices are just
3 not into it. Again, as we have talked several times
4 before, if you brought in all your administrators and
5 said this is what it is and got them pumped up and
6 excited, what we are going to try to attempt is a five
7 state region meeting with all your administrators and
8 we are going to present our case about VET-Biz
9 development. It's an education process.

10 MR. ELMORE: What I'm thinking about here is
11 perhaps another recommendation. We are going to have
12 this Task Force. It sounds like New Mexico is uniquely
13 positioned for a variety of reasons to move forward
14 with some sort of a pilot to demonstrate whether or not
15 this sort of an approach --

16 MR. GARCIA: There are other states, too. I
17 think Ron's state, I think Oregon, Washington. My
18 counterpart in Oregon --

19 MR. ELMORE: Perhaps California.

20 MR. GARCIA: Does a great job. You could
21 probably pick five right not that have it and can make
22 it work.

1 MR. ELMORE: You may want to think about that
2 as a recommendation and say SBA create this pilot
3 program that would come up with the functional process
4 to loop the state secretaries.

5 MR. GARCIA: Here's the thing that worries me
6 on that Task Force. They are going to come back,
7 reinvent the wheel. This little Committee is ahead of
8 it. They're going to come back to catch up to where we
9 have already had discussions.

10 I was at DOL yesterday. They have a whole
11 different idea out there. The Secretary is going to
12 appoint four people. She could put somebody from VFW
13 or American Legion on there, that doesn't mean they
14 know what we are already talking about. I think most
15 of us have been in the trenches. They probably will
16 get some national commander of the VFW sitting on this
17 thing. You know what I mean.

18 To be honest with you, it irritates me because
19 you have this task force here. If the Administrator
20 sat in here every day with us, we'd solve the issues.
21 Now they are going to pull together a political type of
22 team to say rah, rah. They're bringing all the head

1 dogs up here.

2 MR. WHITE: I think one of the things is at
3 the state level, with a state like yours, where you are
4 into it. You know. You picked out five. You can pick
5 out 25 that wouldn't even know what you're talking
6 about.

7 MR. GARCIA: Absolutely.

8 MR. WHITE: As Lloyd was saying, it's an
9 education thing. If they're not even going to listen
10 to it, I mean, they don't want to be educated, I guess.

11 MR. GARCIA: Are we on the record or off the
12 record?

13 MR. LINSCOTT: I'm going to move that we go to
14 a break. We will close the record at this time.

15 (A brief recess was taken.)

16 MR. LINSCOTT: Back on. Where we left off was
17 the discussion about our line item number two. Bill,
18 you can kind of bring me back up to where you think we
19 should be. I think we got through the veteran owned
20 and controlled. We really haven't got to protege.
21 Then the matching with contracting opportunities.
22 Bill, go ahead.

1 MR. ELMORE: From my perspective, I'll share
2 with you on mentor-protege. I'm certainly not an
3 expert because the only mentor-protege program we have
4 right now is the 8(a) program.

5 I can tell you about two years ago now, we
6 developed a recommendation for the Administrator to
7 make a decision to include Service disabled vets and
8 veterans in our mentor-protege program. I never got an
9 affirmative response.

10 Have I taken this recommendation to the
11 Administrator that's here now? No. That's mostly just
12 a functional process. The basic reason we got the
13 answer of no was that the 8(a) program, mentor-protege
14 program, was problematic enough that let our Government
15 contracting folks fix that before we include Service
16 disabled vets and vets in the mentor-protege program.

17 MR. LINSKOTT: I guess my first question would
18 be if properly resourced, a veteran mentor-protege
19 program, how many folks would that take if it was a
20 start up thing in your office?

21 MR. ELMORE: You know, I don't have an answer.
22 Let me tell you what else I do know about

1 mentor-protege. I think VA is setting up a
2 mentor-protege program. GSA is setting up a
3 mentor-protege program. Tony Eiland was here
4 yesterday. Tony is putting that together. I think he
5 said yesterday they have 17 businesses now. DOD has a
6 mentor-protege program. I couldn't tell you how many
7 businesses are in it. My gut tells me it is a couple
8 of hundred.

9 Most of the experience I've seen with
10 mentor-protege is they don't operate anywhere near the
11 scale that's required to get us to the three percent
12 goal. I think it could be helpful, could be another
13 tool. It impacts affiliation.

14 I think the mentor-protege rules allow you to
15 have a relationship with a big business, as long as
16 there's some ability to impact positively you as the
17 small business owner, you can waive those size
18 affiliations, a Lockheed-Martin, for example, could get
19 a contract with you through a mentor-protege agreement
20 that they can do a lot of the work on, as long as you
21 as a small business benefit from that relationship.

22 I think that is how it is basically designed

1 to operate.

2 MR. WHITE: One of the things that I've
3 noticed is there are a lot of organizations that are
4 out doing some of this stuff. Veterans Across America,
5 American Corporate Partners. There are a lot of
6 non-profits that are doing that. There is also through
7 SCORE -- it's a critical component, that if any
8 entrepreneurial training that is going to be successful
9 it needs that little piece.

10 I know a number of the small business
11 development centers have specific procurement workshops
12 and have been evolving into mentorship programs along
13 those lines, too.

14 For all I know, maybe some of the veteran
15 service organizations also do that. I don't know if
16 you guys have one going now or not.

17 There is a hell of a pool to draw from when
18 you start looking at the Legion or VFW or one of those.

19 I think it would be interesting if somewhere
20 along the line somebody compiled a list of the programs
21 that are already there. You mentioned DOD and the
22 others. That's all governmental stuff. There is a lot

1 of private non-profit organizations that are offering
2 the same thing, bringing in heavy duty dudes, and
3 that's not focusing on Federal procurement, but they
4 could.

5 The ESGR, I would think, would be a wonderful
6 connection. They are right in the middle of that.
7 They would have some very good connections with
8 companies that have citizen soldiers that would like to
9 be getting back into the business when they come back
10 from service, and maybe a lot of those companies could
11 provide that kind of stuff, too.

12 Certainly, all the big prime contractors ought
13 to be coughing up some mentors. They certainly don't
14 mind taking the money.

15 MR. LINSOTT: Maybe what would really be a
16 starting point is not trying to lump us into the other
17 programs but maybe some form of an administrative
18 change here internally to have an initial cadre, could
19 be one person, as kind of a liaison, interagency
20 liaison coordinator. That would be a starting point.

21 MR. ELMORE: One of the requirements in our
22 vet business outreach center program, and Lloyd, I

1 don't mean to put you on the spot, while you have been
2 operational for a couple of three years, you are new to
3 our program, but if you can share with us sort of what
4 you have done or how you have approached this or how
5 you think something might work.

6 I agree with you, Steve. Mentor-protege can
7 help in procurement, but I think there's a much bigger
8 role for mentor-protege in entrepreneurship.

9 MR. WHITE: Absolutely.

10 MR. ELMORE: If that's what we need to frame
11 for this Task Force, there is a bigger issue and
12 opportunity here, and that's how I think of it. Lloyd,
13 if you have anything you can share with us.

14 MR. CALDERON: What we have done in the last
15 two years is number one, we have become the focal point
16 for information. You're right. Then you end up at the
17 same place you started. If you take vision away or
18 mental capacity away, it becomes extremely difficult
19 then to really navigate this whole process. That's the
20 first thing we decided to do, let's get information.

21 I'm in the process now of creating an on line
22 resource library. Nothing new. Just something we are

1 doing in New Mexico. That's the first thing we thought
2 we'd do.

3 Prior to that, the very first thing was to
4 figure out where the disconnects were, information
5 flow. Why do I hear about this after the fact, I
6 didn't know, I wasn't aware. You're basically on a
7 merry-go-round and you just fall off. You're just
8 there. That's the first thing.

9 Then we collected information, and then we
10 started counseling people on the process. If you're
11 using the Federal marketplace, the very basics are
12 boom, boom, boom, but if you're not, we didn't focus on
13 the basics. We focused on how do you go to the next
14 level and who do we talk to and what do we talk to them
15 about.

16 We brought a few companies here from out of
17 state, one from California and one from Colorado.

18 MR. ELMORE: And they tie into ESGR, who is
19 moving into veterans' employment.

20 MR. CALDERON: We have been working with ESGR
21 for the last two years. I'm an active duty Guard. I'm
22 very familiar with ESGR. We plugged them in before

1 ESGR was even thinking about it, and the first question
2 ESGR asked me was what does it have to do with us.
3 Everything.

4 You have Guards and Reservists that are
5 business owners and we have to get them to be
6 successful. They are now providing dollars and
7 resources to do the employment piece.

8 The biggest thing for us is always education
9 and awareness. I can't depend on the Federal
10 Government to educate my veterans. It's asking too
11 much first of all. I want our guys and gals to totally
12 be ready to go, if you will, and not be running into
13 little stumbling blocks.

14 The other thing we are working on is the
15 mentor-protege program. We really want to make sure
16 our guys and gals at the local level are really
17 prepared. To start jumping into the Federal
18 marketplace, they better know how to swim. Nobody is
19 going to be there to --

20 MR. ELMORE: Have you taken any steps or have
21 you been able to begin to sort of expand your reach
22 into the already successful business community, vets

1 that are working in banks or accounting firms? Are you
2 able to bring any of that sort of already available or
3 already in your community expertise?

4 MR. CALDERON: We have been doing that. ESGR
5 is a big help because in New Mexico, that involves
6 1,400 companies. We have those corporate entities
7 engaged. We need to expand it.

8 MR. GARCIA: We're working with the Chamber of
9 Commerce. They have 35,000 people in their database.
10 They have helped us target vet businesses by asking the
11 question are you a veteran business owner.

12 MR. ELMORE: Are you targeting only to offer
13 them guidance and assistance or are you asking them if
14 they'd be willing to offer guidance and assistance from
15 sort of an entrepreneur mentor side of this?

16 MR. GARCIA: What we wanted to do was work
17 with the SBCDs to do that. I have 25 SBCDs around. My
18 partnership is heavy SBCD, SBA, and now the group the
19 young lady was here with, Adelante. They do job
20 training and job placement. I'm teaming with our
21 Department of Workforce Solutions. I can't do this by
22 myself. I team with the Chamber of Commerce to get the

1 word out.

2 Again, a lot of it is to see if we can make a
3 dent in this thing. We started a veterans' business
4 roundtable. Lloyd chairs it and my VET-Biz owners show
5 up. The biggest issue -- they are all Chamber members.
6 They are all HUBZone people. They are all 8(a) people.
7 They are all just trying to find access to capital.
8 They have the same issues that any other small business
9 guy has.

10 The only difference is they are veterans.
11 There is this common bond in there. If I say to them
12 can you guys hire me a couple of vets. Yes, we will
13 work with you on that. We have helped bring in some
14 Federal contracts but it's still not enough.

15 Every time we turn a page, there just seems to
16 be more and more things that we could be doing. For
17 me, I come here and I get frustrated because I can see
18 things that are changing yet they are still the same.
19 Then I have to go back to my state like you, Ron. We
20 just do it. Just do it. Whatever I can do, I just do
21 it.

22 I had the same arguments with my Cabinet.

1 They are like come on, let the VA deal with it. They
2 all have a stake in this. We put together a health
3 collaborative. This health collaborative, through the
4 Department of Health, it has nothing to do with
5 VET-Biz, but maybe it does in a way, we helped write a
6 partnership grant and got funded \$1.9 million to set up
7 a vet court, a jail diversion program.

8 Before, the Department of Health and all my
9 other agencies, they weren't even thinking this. I
10 finally got it so we are doing that now. I'm pushing
11 that jail diversion program, vet court. I'm pushing to
12 create a national PTSD wellness center up north, get it
13 built by vets for vets, so we are going after some
14 money. I have some stimulus money coming in. I went
15 after \$2 million of earmarked money.

16 I'm tired. It's like you are an one man
17 little alert team out there trying to fight this battle
18 and you have all these resources.

19 MR. ELMORE: That's where I'm at.

20 MR. GARCIA: I feel your frustration. I have
21 some support but I'm getting chicken feed, honestly. I
22 get \$150 grand to start this program. I've seen my

1 Governor putting \$6 billion out for stuff. I get
2 chicken feed. All right, John, have fun, go ahead and
3 do that. Then I get them nervous because I'm getting
4 home runs.

5 I went to a Cabinet meeting, all the Cabinet
6 is there. We have to give a briefing on what we are
7 doing. I said our department has just been recognized
8 as a national veteran business champion. Oh, cool.
9 Secretary of Education, what's going on. Well, we just
10 got this award. Let's give them a round of applause.

11 (Laughter.)

12 MR. GARCIA: It's not like they don't like me.
13 I'm having dinner the next evening at the Governor's
14 Office, at his mansion. You know, John, you're doing a
15 good job, you're working hard. Aren't you tired?

16 If you're not among your fellow and sister
17 vets, you don't get it.

18 MR. ELMORE: Yes, we can drop the
19 pretentiousness and have --

20 MR. GARCIA: That's what I'm saying. Cut all
21 the bull out and that kind of stuff. It's just crazy
22 for me. I get frustrated. I don't know how many times

1 I have sat there and said let's do VET-Biz development.
2 They are all focused on the homes. They spent a lot of
3 time on the homes. Even the homes got a lot of money.
4 It's just frustrating.

5 MR. CALDERON: What we are going to do once we
6 get our people on board is we are going to take the
7 State of New Mexico and the region, we have a component
8 for the region, and we are going to break it up in
9 little pieces. One of our vet business advisors is
10 going to be responsible for primes, and just be plugged
11 into the prime contractor community.

12 We only got funding for two people.

13 MR. ELMORE: I understand.

14 MR. GARCIA: I'm taking what we have, I'm
15 going to use that as leverage, and I'm going to go back
16 this session. What I told Lloyd my goal is I want to
17 get my budget on this thing up to \$1 million. If I get
18 up to \$1 million --

19 MR. ELMORE: You can do a better job.

20 MR. GARCIA: It will be a stand alone with
21 support from my agency. What gives this thing some
22 credibility and strength is the fact that it is linked

1 to the agency. That is the agency developed it.

2 If I just broke it away and let it stand
3 alone, it will crash and burn. We give it credibility
4 by that and it works.

5 I have a procurement specialist, a veteran
6 procurement specialist. I'm going to hire on two more
7 people, administrative. That is going to give me four
8 people in there. I'm showing results.

9 The key thing is I have to show my legislative
10 guys and my Governor \$36 million of Federal contracts,
11 so many jobs created, and in addition I'm telling them
12 my veterans in my state generate \$2 billion of tax free
13 revenue.

14 When they start seeing that, their eyeballs go
15 up. It's not just about VET-Biz development. It's
16 everything about veterans. They don't see it as this
17 economic engine.

18 If you look across the country, nobody is
19 tapping the veteran market.

20 MR. ELMORE: You're right.

21 MR. GARCIA: I want to build a destination
22 hotel resort in my state. I have 80,000 vets that go

1 up there a year, no place to stay. What is different
2 for me, in all due respect to my predecessors, they
3 made a living out of being a vet. I come out of the
4 private sector. I'm saying who is tapping the veteran
5 market. Nobody is, Bill. I could sell coca-cola to
6 the veteran market and make a ton of money.

7 MR. ELMORE: This is a specific request. We
8 have had some private discussions about some stuff,
9 too. Once this Task Force is operational, it strikes
10 me that your best position, not just the work you have
11 done in your state, your state, the national SBA winner
12 this year, and you have a model where you have been
13 able to coddle together what little bit of resources we
14 have, that we try to offer, and you won. We didn't
15 give it to you. You won it. You have been able to get
16 money out of your state. You have some workforce
17 involvement. You have these other entities involved.
18 You're doing your mentoring and all that.

19 This Task Force has to identify what the
20 problems are because they don't know. They also have
21 to try to come up with some solutions. I guess my
22 request is if you can sort of boil that down, I'll make

1 a commitment and I'll try to do this, and I think I can
2 do it, to get you and Lloyd in front of this Task
3 Force.

4 MR. GARCIA: Ron Miller's group. My guy, Jim
5 Willis, up in Oregon. There is a group that shows this
6 dynamic. I feel like the taco vendor man. I'm just
7 trying to sell my tacos. It's struggling. I'm a small
8 business guy out there. I'm running an agency that
9 doesn't even get respect, honestly. I'm a constituent
10 agency. They bring me out on Veterans' Day, it's
11 election year now, they bring me everywhere now. They
12 want my vets.

13 MR. ELMORE: They want the flag.

14 MR. WHITE: One of the things that just sort
15 of slapped me in the head when you were talking is
16 they're not hearing us. Again, access to capital. We
17 just keep coming back to access to capital.

18 One of the things that I think we can think
19 about trying to do is everybody in their own little
20 areas around the country try to identify vet bankers.
21 We can say look, we can help promote you and promote
22 your business and generate business but you have to be

1 responsive. We're not going to send "slucks" to see
2 you. We want you to come speak to the small business
3 development centers in your area. You can talk about
4 your financing proposals. You will see they are going
5 to come out of here with a solid business plan and a
6 package to come in and see you. We are not going to
7 send them to you unless they are ready.

8 Some of these states generate a ton of money
9 in loans that are going to get referred to somebody.
10 Any banker -- it drives me crazy dealing with these
11 guys.

12 MR. GARCIA: What you are saying, let me use
13 an analogy and I might be wrong, it's no different than
14 when we set up the National Hispanic Chamber of
15 Commerce or the National Black Association or whatever,
16 we are a minority of a minority. Yet we don't know
17 where our strengths are. We don't know our census. We
18 don't know how much revenue we generate. We don't know
19 where our leadership is.

20 MR. WHITE: You know if you're Hispanic or
21 Black.

22 MR. GARCIA: That's right, I know where to do.

1 MR. WHITE: So does everybody else. The
2 veteran community, you're invisible. Nobody walks
3 around with a "V" on their forehead.

4 MR. GARCIA: What you're saying is right. If
5 we could pull together veteran bankers, veteran
6 financiers, they know what we are talking about when we
7 say don't leave a vet behind. Now they are sensitive
8 to the Patriot Express loan and all that kind of stuff.

9 MR. SHARPE: He has that list.

10 MR. ELMORE: Let me back up for a second. One
11 of the things that I have tried to do in my centers and
12 I don't think it has worked, although I think it's
13 workable, and maybe you guys are in the best position
14 to do this now that you're in our mix, is create a
15 lender's committee.

16 MR. GARCIA: Yes.

17 MR. ELMORE: I had one when I ran a housing
18 program in St. Louis and before I took loans from my
19 residents to the banks, the bankers sent me their
20 lenders. Once a month, we reviewed business plans.
21 The bankers said yes, we will look at this, we will
22 look at this, this guy, forget it. This guy needs this

1 kind of help.

2 You have created the closest we have to a real
3 collaborative model at the state level. John, you and
4 I have talked about this. I think this is critical.

5 Most of my centers are either SBCDs or
6 community groups who don't have that state cache behind
7 them. They are the independent systems. They do a
8 good job but they don't bring everything together that
9 you can bring together.

10 If you guys could sort of work up a model
11 that's presentable to this Task Force, and the other
12 would be take a look at creating a lender's committee,
13 so that the business plans that are developed by
14 veterans and your SBDCs, by your SCORE partners, by you
15 and your center, by whoever else is helping you, and
16 just ask half a dozen banks once a month to give you
17 two hours.

18 The other thing that will happen from this is
19 not only will you build bridges to the banks, but you
20 will also start creating funding streams to your
21 center. That is how we funded my not for profit. I
22 got 10,000K every year -- this was back in 1982 -- from

1 every bank that did this.

2 MR. GARCIA: They are trying to put together a
3 National Veteran Chamber of Commerce. They tried to
4 put together that National VET-Biz Association, which
5 hasn't been off the ground yet, Richard Ramirez. We
6 need that. We need a voice. That came out two years
7 ago from that Vegas conference, that we needed a
8 national entity to be the veteran voice.

9 If there was a National Chamber of Commerce
10 before Congress now, they would be listening. They are
11 not listening to us. We need a national veterans'
12 business association that can speak for us.

13 There is a lot of work that has to be done.

14 MR. WHITE: Then you look at the Veterans'
15 Corp, that is what that was supposed to be.

16 MR. ELMORE: Arguably, if there was a mistake
17 with Vets Corp, and I don't think it's really a
18 mistake, we started it too early. If Vets Corp was
19 created now by an act of Congress and given \$12 million
20 over the next four years --

21 MR. GARCIA: We'd be ecstatic right now.

22 MR. ELMORE: Could we do what Vets Corp was

1 supposed to do nine years ago?

2 MR. WHITE: You could have done it then, too.

3 MR. ELMORE: Could have. Vets Corp in this
4 town, this is my take because I went to a lot of those
5 meetings, hired a lot of people that didn't get it.
6 They hired veterans but none of them came out of the
7 business --

8 MR. WHITE: It was set up for failure from the
9 get go. Clinton didn't -- there were a lot of
10 problems. If you don't have an appointed Board of
11 Directors --

12 MR. ELMORE: The other side, John, if we can
13 get you in front of this Task Force to make this sort
14 of here's a model that actually works, and then you can
15 move the discussion to and there's an entity out here
16 that is sitting essentially fallow that the President
17 is responsible to appoint the members of the Board of,
18 that DOD, VA, SBA, all sit on, hasn't been a real
19 meeting in a couple of years, there is an entity that
20 if you could take the model and spark that and say
21 okay, how do we replicate a model. Here's one way you
22 could consider doing it.

1 MR. GARCIA: You know what is going to happen
2 on that Task Force with your chairman, she's going to
3 come back to you and say Bill, we talked about all this
4 and you are going to say we have been doing it.

5 MR. ELMORE: I'm going to say I've been asking
6 you for the bill and I asked the one before you and the
7 one before them and the one before them, and it hasn't
8 been forthcoming.

9 MR. GARCIA: It gets frustrating.

10 MR. ELMORE: The money for the centers doesn't
11 come from the Administration. That comes directly from
12 Congress, thank you, Joe, and the others. That \$2.5
13 million wasn't given to me by the agency. It was given
14 to me by Congress.

15 The agency at least asked for it. That's a
16 step in the right direction. I don't think they were
17 aggressively chasing it.

18 MR. WHITE: They just as soon slide it some
19 place else if they could.

20 PARTICIPANT: No one would notice and it would
21 go the women's group.

22 MR. ELMORE: I know we kind of got off

1 mentor-protege. To me, mentor-protege as we were sort
2 of discussing it, how do you bring the existing veteran
3 business community that's not in the game just looking
4 for contracts but is in the game because they are
5 successful. How do we bring their expertise in to
6 touch with our new, younger and emerging entrepreneurs
7 in ways that work.

8 I think the centers are the only vehicles we
9 have that we could do that. Perhaps SBDCs.

10 MR. GARCIA: Are you going to bring these
11 center guys into a meeting so we are all on the same
12 page?

13 MR. ELMORE: Yes. I'm requesting funds, let's
14 put it that way, to have a meeting in September and do
15 a training about here's what expected, here's the
16 reporting process.

17 MR. GARCIA: We are going to bring in your
18 five regional SBA guys for a meeting. We want to do a
19 regional veteran business conference with them there.
20 I'm going to invite my NASDVA guys from those five
21 states for a five state veteran business conference.

22 MR. ELMORE: If you think it's helpful, invite

1 me.

2 MR. GARCIA: I think we should invite
3 everybody there.

4 MR. ELMORE: Have we talked about
5 mentor-protege?

6 MR. LINSCOTT: Yes. I think all these things
7 are related.

8 MR. ELMORE: John, are you willing to take
9 that on if I can get you that opportunity, you and
10 Lloyd, to make this presentation?

11 MR. GARCIA: Let's do it.

12 MR. LINSCOTT: What I have for a
13 recommendation item on that is to acknowledge and
14 explore the larger opportunity, veteran business
15 entrepreneurial exposure to growth and training, the
16 ESGR liaison would be an excellent vehicle because they
17 know the larger businesses in the community, and the
18 New Mexico model should be invited to speak to the Task
19 Force.

20 Anybody have anything I might have missed on
21 that sort of broad topic?

22 MR. WHITE: Just to try to identify all the

1 different --

2 MR. LINSKOTT: I put identify vet bankers.

3 MR. ELMORE: I think what I can do because I'm
4 already going to draft a letter for the Administrator
5 to go ask the other agencies about what programs and
6 services they have for vet business, and we will just
7 explicitly go down the six things that are in the Task
8 Force Order, and I'll draft it into the letter and ask
9 the Administrator to send that to the heads of those
10 seven agencies and ask for that. That will include
11 mentor-protege.

12 Like you, I know about America's Corporate
13 Partners and I know about Wes and what he's trying to
14 do. Do I keep up with him and spend a lot of time with
15 him? No.

16 I think SCORE is the most under utilized asset
17 in our portfolio in this arena, not only because of how
18 many there are and how many vets there are, but also
19 sort of the directions they have been moving.

20 MR. WHITE: I just wish between small business
21 development centers and SCORE, they would decide how to
22 split the turf. Say we would like to work with them

1 first on, early on, and then they go to SBDC. They are
2 literally in competition.

3 MR. ELMORE: I'm running into the same thing
4 with my centers. What I hear internally is we need to
5 do a better job with all the other services than just
6 build on another system. I don't agree with that
7 because the other services don't do the job well
8 because they don't do Vet Speak. They don't understand
9 the value of that veteran connection and how you can
10 move these guys forward.

11 MR. LINSOTT: Where we have our centers, I
12 think SCORE should be trying to work within our
13 centers.

14 MR. ELMORE: Some of our centers, I can't
15 speak to all of them because I haven't been to all of
16 them, but I know St. Louis has SCORE counselors that
17 operate in the veteran business center.

18 MR. LINSOTT: I think that should be the
19 standard.

20 MR. ELMORE: Pat was smart enough to become a
21 SCORE counselor. I think Lou Kelley has done the same.
22 He identified good SCORE counselors. Then he said to

1 them I'll give you \$10 an hour to come in here and do
2 20 hours a month or whatever it is.

3 MR. WHITE: They have a veterans' contingent
4 now on the website. You can go up and find a veteran
5 SCORE counselor.

6 MR. ELMORE: For vets, disabled vets, for
7 procurement, for Reserve and Guard. They have done all
8 of that.

9 I'm not sure if this is on our agenda, but are
10 you moving toward the recommendation where SBA think of
11 this sort of continuum of service side, SCORE is kind
12 of your starting point, SBDCs --

13 MR. WHITE: SCORE and the development centers
14 have to decide that. I think it's a shame that you
15 have two great resources and there is a little friction
16 between them. There really is. I found it when I was
17 doing some work. Aren't you guys working together?
18 No.

19 It's interesting that you would take two great
20 resources that are really a great thing for small
21 business and could be very good for veteran
22 entrepreneurs and have that little ruffle of the

1 feathers, pick one and don't talk about the other one.

2 The Administrator is the one that brought up
3 the fact about using all the different points. You
4 can't go wrong talking about utilizing the resources.

5 MR. ELMORE: Again, maybe the model, the model
6 is what they are doing because my guess is there is
7 probably not a lot of friction in your center between
8 the SBDC or the SCORE folks that help you. I assume
9 you have both.

10 PARTICIPANT: We have a pretty good
11 relationship.

12 MR. ELMORE: It's not about is SCORE doing it,
13 is SBDC doing it, is veterans doing it. It's about the
14 customer.

15 MR. CALDERON: That's true.

16 MR. ELMORE: I'm not sure how you turn that
17 from a Federal perspective, these bureaucracies aren't
18 customer centric. They are always focused on the
19 bureaucracy.

20 MR. CALDERON: Right.

21 MR. ELMORE: The process and the functions and
22 the rules and regs and the attorneys and everything

1 else that we deal with every day.

2 MR. CALDERON: We have been funded by the
3 Governor's Office. It's like we don't care, all we
4 care about is results.

5 MR. GARCIA: It does make a difference when I
6 call a meeting of the Chamber presidents and the SCORE
7 presidents, all that, to the Governor's Office, they
8 are like this is really a different game. I think that
9 helps. It's perception.

10 MR. LINSKOTT: At this point, let's switch to
11 Mr. Wynn, and then at the conclusion of his remarks, we
12 will go to lunch. Joe, you have the floor.

13 AGENDA ITEM III

14 MR. WYNN: Good morning, everybody. I'm Joe
15 Wynn, member of the Veterans Entrepreneurship Task
16 Force. I also serve as the legislative representative
17 for the National Association for Black Veterans, and am
18 currently President of the Veterans Enterprise Training
19 and Services Group, and I appreciate having the
20 opportunity to come here and spend a little time with
21 you here at the Advisory Committee for Veterans' Small
22 Business, to just share some of the views that I have

1 collected over recent months.

2 As you know, I've been here and shared with
3 the Committee before at other times.

4 One of the biggest items on the list -- I have
5 sent you a list of some things I wanted to touch on,
6 and I will just briefly hit on them, I know your time
7 is limited.

8 The first thing, as you have just been talking
9 about, the Executive Order regarding veterans' small
10 business, as some of you if not all of you are probably
11 aware, the Executive Order that came out actually was
12 extracted from Public Law 110-186, almost verbatim if
13 not verbatim. That legislation came out a little over
14 two years ago.

15 Some of us viewed this Executive Order not so
16 optimistically because this is something that has been
17 sitting on the shelf for over two years and was already
18 supposed to have been implemented and hadn't.

19 It's like all of a sudden somebody just
20 decided okay, we have been present through the
21 Veterans' Task Force and some of the other veteran
22 service groups, we would like to see a new Executive

1 Order to put some stimulus into the veterans' Federal
2 procurement program again. We had Executive Order
3 13-360 for a couple of years. Agencies were really
4 ramping up and trying to respond to that directive, and
5 then it kind of fizzled out.

6 One of the reasons I believe it frizzled out
7 is because there was no continued requirement for
8 agencies to publicly display their strategic plan as to
9 how they were going to increase contracting for Service
10 disabled vets.

11 Ultimately, SBA went to a score card program
12 to kind of keep track of what agencies were doing
13 across the board instead of continuing to focus and
14 press hard on what they were doing with Service
15 disabled vets.

16 Needless to say, as that diminished and we
17 kept pressing for a new Executive Order, finally this
18 came out. They just pulled it off the shelf. Let's
19 dust this off and say we have something.

20 I don't want to sound totally like this is not
21 something that could really be helpful. Anything
22 possibly could be helpful, depending on the players who

1 are involved, who gets behind it.

2 Now this is coming out of this Administration.

3 At least we have some impetus behind some people who
4 are here now. The other Order was under a previous
5 Administration. That's the positive side.

6 However, this very body right here, this SBA
7 Advisory Committee, has also under Public Law 110-186
8 become a permanent committee, as I understand it, and
9 it is also tasked with doing many of the things that
10 are already in this Executive Order. I see you guys
11 are sitting here diligently discussing how to improve
12 contracting for our veterans which has been the case
13 since you have been meeting for several years now.

14 What is this new Executive Order really going
15 to do? Who are really going to be the players?

16 I had asked you, Bill, last time we crossed
17 paths and you weren't sure at the time, I think at our
18 Executive Task Force meeting, you participated via
19 phone, and we were asking questions.

20 I wasn't here earlier or yesterday. You may
21 have now determined when this thing is really going to
22 kick off. Whenever it kicks off, it is still talking

1 about doing things in more of a discussion mode. It's
2 really not clear from what they have listed here who is
3 going to take charge of it and really make something
4 happen.

5 More discussion needed about the Executive
6 Order. Also, how will it impact this very Committee.
7 You are going to have two committees, a Task Force
8 going, a small business advisory committee going, the
9 SBA is supposed to pay for funding for the Task Force
10 to meet, for this group to meet, and you are already
11 talking about limited funds.

12 When we have all these meetings, the other
13 thing that has to happen that doesn't happen enough is
14 transparency and publicity of your discussions.

15 I know you post reports on your website, but
16 just like one of the biggest issues we have with the
17 VA, with all the programs and benefits afforded to
18 veterans through the Department of Veterans' Affairs,
19 look at how many veterans don't know about it because
20 they don't get the information.

21 The same thing has happened with our small
22 business community through the veterans' small business

1 programs, they are not getting the information.

2 Whether it is this Committee or this new Task
3 Force, there has to be more emphasis placed on
4 outreach, getting the information out to the community
5 of veterans.

6 The next big ticket item that we have been
7 looking at, we have been circulating information about
8 encouraging folks to take a close look at this end
9 sourcing rule from OMB that is in the Federal Register
10 for comment period. The comment period closes June 1.

11 The impact of this end sourcing on all small
12 business not only the veterans' small business,
13 VET-Force had an opportunity to meet with Dan Gordon,
14 the Administrator of the Office of Federal Procurement
15 Policy just a few weeks ago, and surprisingly, in our
16 discussion with him, there had seemingly been very
17 little concern about the impact of this end sourcing
18 rule on small business.

19 It's like it's something we want to do, we
20 want to pull back inherently governmental positions
21 back into the Government and already since the
22 President's memo came out a year ago in March of 2009,

1 agencies had already started canceling contracts,
2 taking contractors, private contractors, and bringing
3 them into the Government.

4 In some instances, that seems to have worked
5 and in some, it hasn't worked. Some of the key
6 personnel on that contract did not want to be a
7 Government employee. Now you have a void in the
8 performance of services on some of these contracts.

9 Another thing that came up is in this end
10 sourcing, this move to bring folks back into the
11 Government, there is no consistent strategy being
12 promoted across the Federal agencies as to how each
13 agency should do it.

14 They asked agencies to develop their own
15 internal strategy as to how they were going to do it,
16 but that's not consistent from agency to agency.
17 Depending on which agency you are dealing with, they
18 may cut your contract in 30 days. You have been
19 working there for years, providing services to the
20 Government. All of a sudden, they have decided we need
21 to bring this function in.

22 Of course, this is obviously going to be an

1 impact on all small business including veteran small
2 businesses, and all we are doing is suggesting that
3 folks enter their comments now and it may make a
4 difference.

5 One of our members from the Vietnam Veterans
6 of America who is the chair of the Economic
7 Opportunities Committee of VVA, Rick Davitch, asked
8 that I share that he's up in Alaska and some of you may
9 know Rick. He's a Service disabled veteran business
10 owner himself. They had an Alaskan Veterans' Small
11 Business Alliance.

12 They have been treated very badly in Alaska.
13 The Service disabled vets up there when they tried to
14 get contracts, even discuss contracts for Service
15 disabled vets, they have agencies and large primes
16 telling them publicly that we don't have to honor this
17 Service disabled vet requirement. Maybe it is because
18 Alaska is far out, they figure there is supposed to be
19 some difference in the law up there. It's not.

20 They are calling for a joint meeting of both
21 Houses to have a public meeting to discuss the Service
22 disabled veterans' Federal legislation and to bring in

1 some of these primes and agencies to have them testify
2 as to why they are not providing contracting
3 opportunities for our Service disabled vets.

4 There is another piece in Public Law 109-461.
5 We talk about so much of the hiring veterans first,
6 contracting with veterans first, the priority of
7 contracting. It applies specifically to the VA.

8 There is another piece about he survivorship,
9 that if a Service disabled veteran dies, if he was a
10 100 percent disabled veteran, then the spouse could
11 take over the ownership of the business for a period of
12 time.

13 We are getting requests that this be amended,
14 revised, changed to allow any Service disabled vet,
15 regardless of the percentage of the disability, to be
16 able to have the spouse or significant other, whoever
17 is designated to run that business to continue the
18 business for that period of time. I think it is ten
19 years.

20 It's obvious, here you have a Service disabled
21 vet who has been struggling for years to do business,
22 they have some things going, they are hiring people,

1 hiring other vets, and they die, all of a sudden,
2 that's it.

3 MR. GARCIA: Would that have to be
4 legislative?

5 MR. WYNN: Yes.

6 MR. GARCIA: That would be something to come
7 out of VA?

8 MR. WYNN: It would have to be an amendment to
9 the existing legislation. We need folks to call for
10 it. That is why I'm bringing it to your attention, to
11 perhaps consider making a recommendation that this be
12 revised, this part of the statute.

13 Believe it or not, it has impacted a number of
14 our Service disabled veteran business owners already.

15 MR. LINSKOTT: Which statute is that?

16 MR. WYNN: Public Law 109-461 that pertains to
17 contracting with VA.

18 MR. ELMORE: Are you guys suggesting any
19 disability rating?

20 MR. WYNN: Any disability rating.

21 MR. ELMORE: Zero and above?

22 MR. WYNN: Zero and above. If you are a

1 Service disabled veteran, you have already acquired a
2 business under that status, you have been vetted as
3 such, we want to continue that on.

4 It's bad enough that we have a preference
5 program for a person who had to be in harm's way and
6 get disabled before they could get preference in the
7 first place. Now that you have that, if you die, you
8 have established something, all of a sudden, all that
9 is totally lost immediately.

10 MR. GARCIA: What does the 8(a) program say
11 now? Is there a survivor clause in there, in the 8(a)
12 program?

13 PARTICIPANT: I don't believe so.

14 MR. WYNN: No, but the company can stay in the
15 program if it still meets the requirements. Whoever
16 the new owner is can stay in the 8(a) program until it
17 is time for them to graduate, as I understand it.

18 MR. ELMORE: I honestly don't know. I am
19 assuming they would still have to fit that same
20 socioeconomic model.

21 MR. WYNN: The 8(a) program, you have the
22 status of the company as well as the business owner.

1 MR. ELMORE: The other thing about 8(a) is it
2 is a time frame program, it is nine years. SDVOSB is
3 not time framed. I'm trying to understand.

4 You are basically suggesting, as I understand
5 that part of the law, that if it's 100 percent right
6 now, the spouse can stay in the SDVOSB program for that
7 period of up to ten years.

8 MR. WYNN: Right.

9 MR. ELMORE: They could, for example, if it's
10 a female spouse, they could also try to get into the
11 women's program. There are some other options they
12 could pursue.

13 MR. GARCIA: You are saying give it a limit of
14 ten years?

15 MR. WYNN: Yes, the limit is ten years now
16 anyway. It only pertains to 100 percent disabled vet.

17 MR. ELMORE: I think where the ten years came
18 from is some Government contracts go up to ten years.

19 MR. WYNN: I don't know how they came up with
20 the ten. I don't think it's based on the period of the
21 contract.

22 MR. GARCIA: Let me just run this in my mind.

1 You're saying if somebody has 30 percent or 10 percent
2 Service disabled, gets a contract and dies, the chances
3 are that contract is either going to be pulled, lost or
4 whatever?

5 MR. WYNN: That's right. The company would no
6 longer qualify as a Service disabled veteran owned
7 business because the veteran died.

8 MR. GARCIA: If you're 100 percent, you are
9 saying, it would continue for ten years?

10 MR. WYNN: Yes, it could. The spouse could
11 continue the business as a Service disabled vet
12 business.

13 MR. ELMORE: The spouse retains that status.

14 MR. LINSCOTT: I think specifically, if a
15 Service disabled veteran business had an existing
16 contract that was earned properly under the rules and
17 they were Service disabled and it was a set aside, et
18 cetera, I believe the existing contract would not be
19 pulled. They would not lose their existing contract
20 until it's over.

21 What the agency or bureau may have to do is
22 take those dollars they are spending that they are

1 getting credit for their report card and no longer
2 credit those.

3 I don't think the vendor would lose that
4 particular in place contract. What would happen is
5 competition for future contracts would not be available
6 because the Service member currently is not there. We
7 could extend that to zero disability, any disabled
8 veteran, to have a survivorship for the ten years, for
9 new business.

10 MR. WYNN: Right, some extension should be
11 considered besides just a vet who is 100 percent
12 disabled. You can have veterans who are 60 or 70
13 percent who have some serious disabilities, as a result
14 of those disabilities, they could die.

15 MR. LINSCOTT: I totally agree with you. I
16 don't have a disability but my family -- I kind of do
17 but I don't get credit for it.

18 (Laughter.)

19 MR. LINSCOTT: My family depends on my company
20 for their livelihood and to pay the bills and all the
21 things. My company would need to exist for my family
22 to exist.

1 If I was Service disabled, it would only seem
2 reasonable that if my business was based on that
3 advantage, that it could continue on that advantage.
4 That seems reasonable to me.

5 MR. CALDERON: This is VA specifically,
6 veteran owned businesses and Service disabled vets.
7 Would it be appropriate -- if you are going to ask for
8 an amendment, that you also amend it for veteran owned
9 businesses. We have Guard and Reserve personnel that
10 are deployed for six months and 30 days later, they are
11 dead. What happens to the veteran owned business? It
12 disappears. There is nothing there to cover that.

13 This is just with the VA. You could probably
14 amend -- this is just with the VA loan.

15 MR. WYNN: You're getting into a broader
16 discussion now with the veterans. First of all, we
17 don't have the mandatory preference for the veteran
18 owned business yet.

19 Rightfully so, it should be considered for the
20 veteran as well. Again, it's a broader discussion but
21 it makes sense.

22 MR. GARCIA: That is what we were saying

1 earlier. If the VA -- they are in the home loan
2 business, they are in the veteran business services,
3 they address those issues. If the VA was in the
4 veteran business business, they would be addressing
5 these kinds of issues. They are not. We have to take
6 it to this Task Force and/or Congress to implement this
7 bill.

8 I think when you do something like this
9 change, there are these ripple changes that will come
10 with it. It will happen.

11 I have always felt that the general public
12 fears the vet. That is why it took them so long to
13 figure out what to call PTSD, because they waited for
14 so many of the Vietnam vet guys to die out before they
15 said all right, give them some PTSD stuff now. It will
16 bankrupt the system.

17 MR. WYNN: It is definitely something to
18 consider. I wouldn't be opposed to that being
19 considered for veteran owned businesses as well.

20 MR. GARCIA: I think it is a good point.

21 MR. ELMORE: You could make a fairly easy
22 technical change, if you are going to extend it to

1 veterans, you could tie it into a Title X. What is the
2 other title? 32?

3 If somebody is sent in harm's way and they
4 have veteran status but they are a Reserve or Guard
5 member, God forbid they lose their life, the spouse --

6 MR. GARCIA: Also, it's real important what
7 you are saying, you kind of validate everything we were
8 just saying even yesterday. This Task Force has been
9 sitting here two years. It has cobwebs on it. It's
10 outdated.

11 Where we fit, I don't know.

12 MR. ELMORE: If you put that time frame in
13 perspective, what you have is the previous
14 Administration that clearly wasn't going to implement
15 that. I fought the battle internally a number of times
16 asking for implementation, working with general
17 counsel, doing all that stuff.

18 This new Administration came in and in our
19 briefings during the transition before they even got
20 here, we were presenting that this task force
21 requirement had not been implemented and needs to be
22 implemented.

1 I tend to agree with you, Joe, it has taken
2 too long. On the other hand, at least they have
3 finally taken steps to do this, in the context of
4 everything they have taken on. The fact that they are
5 getting to this within what is still a fairly
6 reasonable time frame with them having taken office,
7 I'm still cautiously optimistic. I'll put it that way.

8 MR. WYNN: Here's the thing. The time frame
9 is a big question and what is the reality of that time
10 frame. You continue to hear these messages from the
11 Administration and a lot of folks about small business
12 being the engine that fuels the economy, especially now
13 with the unemployment numbers exceptionally high.

14 At the same time, you are getting an Executive
15 Order that really the issues -- we have been discussing
16 the issues for several years. You are going to create
17 a task force to do what, discuss the issues.

18 If you really wanted to do something, you
19 would have created or had a directive directing
20 agencies to do some specific things to increase small
21 business contracting.

22 If you look at the other Executive Order on

1 small business, you have a similar thing. You are
2 going to have a lot of discussion talking about how can
3 we -- one of the things they mentioned is let's talk
4 about how we could eliminate bundling to help increase
5 small business opportunities.

6 How long have we been saying contract bundling
7 is a barrier to small business contracts. Do we need a
8 task force to now come back and say hey, bundling is a
9 barrier.

10 MR. ELMORE: I don't disagree. As I see it
11 from where I sit, we have had a lot of discussion in
12 the last day and a half, and it started for me 36 years
13 ago about the people who get it and the people that
14 don't. The vast majority of people who come in with
15 any Administration have never worn the uniform, and I
16 would argue and I have said it to their face, they
17 don't get it.

18 The leadership in most of these agencies
19 named, they are not veterans. Probably, I guess I'm on
20 the record, but I'll say this, they don't get it.

21 I've been talking about this stuff since 1978.
22 If it takes another task force, that is the purpose of

1 trying to do this through this Advisory Committee,
2 create a record to provide to them, here's the best of
3 the thinking from an existing Advisory Committee that
4 has worked now for six or seven years trying to define
5 not only what are the problems but here are some
6 possible solutions.

7 I'm hopeful. I have no guarantee. I have
8 been asked by a number of guys, Congress asked us, what
9 is the guarantee this task force is going to be
10 different than the last one. I don't have any
11 guarantee on that. I don't have a guarantee for me
12 that's going to happen.

13 MR. WYNN: I think it is going to depend on
14 who participates. They start off saying senior level
15 officials will participate, and then they turn right
16 around and say or their designee. It never tends to
17 happen. The senior is out doing whatever and the
18 designee shows up.

19 MR. ELMORE: You also said yourself, there is
20 only one small word change in this Executive Order to
21 exactly mirror what the statute said. As a guy now who
22 has been in the inside for ten years trying to make

1 this stuff work and happen, I would argue the way the
2 statutes have been written, not just on the veterans'
3 part of the small business programs, but virtually all
4 of the small business programs, they have been written
5 in a way that doesn't enable this stuff to get the
6 traction that the community and the economy says is
7 earned or should be done based on the intent behind the
8 Small Business Act.

9 I think virtually all of our procurement
10 programs are so wishy-washy and now we are talking
11 about taking the one program that has a "shall" in it
12 and making it a "may," instead of taking all the
13 programs and say "may" and make them a "shall." That's
14 another step backwards.

15 MR. WYNN: I've had some discussions about
16 that. That was one of the comments I was going to
17 make. We're getting more input and support for
18 changing everything to "shall." "Shall" across the
19 board we think would be more effective, would create
20 some parity, and it would provide an opportunity or
21 direct the contracting people to actually do it, they
22 would have to be more proactive.

1 "May" kind of puts it back into how you
2 interpret "may." I may do this, I may do that.

3 MR. ELMORE: "May" is discretionary.

4 MR. GARCIA: It depends on what the definition
5 of "is" is.

6 MR. WYNN: We have been having this as an open
7 discussion on our agenda at our last few VET-Force
8 meetings. More of the veteran business owners there
9 are beginning to understand the nature of this impact
10 of the legislation and are agreeing that "shall" would
11 be more effective.

12 Even after the legislation first came out, we
13 were saying we need to get this thing on equal parity.
14 The problem, the House is now supportive of inclusion
15 of the word "shall" but the Senate side still wants to
16 go with "may."

17 We are at an impasse. What I am asking this
18 Advisory Committee to do is based on your feelings and
19 understanding of this issue, to make a recommendation
20 for "shall" across the board, and find a way to see if
21 you can bring both parties to the table, the House side
22 and the Senate side, so that we can reconcile the

1 difference.

2 In the last two years, there has been
3 legislation from the Senate and House, but they have
4 both been different and they both get left on the
5 table.

6 MR. SHARPE: Velazquez is in favor of "shall"
7 for veterans only, she's not into "shall" for
8 everybody.

9 MR. WYNN: "Shall" is already in HUBZone.

10 MR. SHARPE: She wants to take it out of
11 HUBZone.

12 MR. WYNN: It's just creating an issue now.
13 There has to be some discussion and recommendations
14 from some other bodies to hopefully make a difference.

15 Let me just hit on these last couple of points
16 because I know it is about time to break.

17 One is also we have been advocating for more
18 funding for the operations through the SBA Office of
19 Veterans' Business Development, and as mentioned
20 earlier, some funding did come through from Congress to
21 allow Bill's office to put some grant money out there
22 to create some more business centers, which is what we

1 had been pushing for.

2 We also have been asking for an increase in
3 funding to create additional FTEs in his office for
4 persons with Federal contracting experience, like him.
5 There is only one. There is only one person really
6 assisting veteran business owners with Federal
7 contracting out of Bill's office.

8 We have been trying to get some more funding.
9 We would like to see more funding to get additional
10 positions like his to assist veterans with Federal
11 contracts.

12 MR. ELMORE: I'd love to. We have talked
13 about regional veterans' affairs officers and in the
14 Stimulus Act, I asked for money to hire 12 of them.

15 MR. WYNN: Right. The other thing, and I'm
16 trying to speed this up, we would also like to see more
17 consistency and standardization in the management of
18 these veteran business outreach centers. I know you
19 just had a grant, a funding cycle, and you brought on
20 some additional centers. Again, \$150,000 limit, as
21 John mentioned earlier, it is chicken feed. I know you
22 are working with what you have. More funding.

1 If we are going to create a network of veteran
2 specific business centers, there has to be more
3 funding. One of the ways to increase funding support
4 both Federal funding as well as private/corporate
5 funding is to create some standardization among the
6 business centers.

7 You have business centers in Texas,
8 California, New York, everybody is doing their own
9 thing. They are doing different things.

10 If we do a Federal procurement training class
11 in Texas, there should be some consistency if I'm a
12 veteran and I come up here to New York and I need some
13 additional training in that Federal procurement
14 training, there should be some consistency there.

15 As you know, I have been doing a veteran
16 business center myself without any Federal funding, not
17 that I won't accept any, but the point is we are trying
18 to connect your SBDCs, your SCOREs, the women centers
19 and your veteran business centers that are in existence
20 at this point.

21 We have to create some common standards among
22 what we are providing to our veterans. If we are going

1 to refer veterans to SBDCs, there should be some
2 clarity of what those veterans are getting there. The
3 same, I know you said SCORE is putting some veteran
4 specific things out there, information out there, which
5 is good.

6 With the business centers in particular, we
7 want to see more of that.

8 Also, the inclusion now, the way now is to
9 include in your outreach and information that you are
10 providing to your business owners, to encourage them to
11 employ veterans, the employment piece.

12 When veterans come to these business centers
13 and they are trying to get into business, after you
14 have done the assessment and you see they are not
15 necessarily ready for full time doing their own
16 business, why can't we provide them some assistance
17 with employment, if that is what they need.

18 If they need funding, it may be from the
19 employment side as opposed to the business side.

20 MR. ELMORE: Let me stop you for a second. I
21 don't disagree with the premise but I don't have the
22 authority to provide funds to Lloyd to do job

1 placement.

2 PARTICIPANT: Referral.

3 MR. ELMORE: I think all those centers do that
4 to some degree. What I would hope, and this is the
5 Task Force I'm responding to, and this is part of the
6 point I will make and I have made to the people I deal
7 with in the Administration, there is a need for
8 functional one stop places for these veterans and
9 Reservists to go where the option of self employment,
10 the option of other kinds of employment, and I would
11 argue as well the option of education should be there
12 where you can go through all those pieces and whatever
13 fits your circumstance at that time is where you gain
14 access to those resources.

15 MR. GARCIA: We are doing what you are saying.
16 It's almost as if you're working in our office. These
17 are discussions we have had.

18 We believe if we help a veteran secure a
19 Federal contract, his commitment back to me is to hire
20 vets. That is helping vets. One of the challenges is
21 getting that guy the contract. That is the number one
22 challenge. Again, there has to be a strong partnership

1 with DOL.

2 There needs to be this cooperative spirit
3 where if I get funding from DOL, if my vet gets a
4 contract and I have DOL funding where we can put vets
5 to work, hence, I have that contractual relationship
6 with Workforce Solutions and this Adelante Group,
7 because we are doing a comprehensive job training
8 placement program. If I can get my vets to hire vets,
9 we begin to take care of our own.

10 There has to be this cooperation, not just
11 this little group. DOL has to be engaged. Commerce
12 has to be engaged. All these agencies have to be
13 engaged.

14 MR. WYNN: Now with the new Assistant
15 Secretary, Ray Jefferson, they want to be engaged.

16 MR. GARCIA: They definitely do. They have
17 some trouble here. I met with Jefferson and his
18 Deputy, Ortiz, yesterday. They are hitting the same
19 notes you are hitting right now.

20 MR. ELMORE: I think the real point is from my
21 perspective is the pressure point is inside the White
22 House. I probably shouldn't say that on the record.

1 The reality is this is the President's Executive Order.
2 He signed it.

3 MR. GARCIA: We have some tools here. Maybe
4 we need some different kind of ammo for this battle.
5 We have this Committee, we have your group. We have to
6 sit before whatever the right group is. They are not
7 hearing our voice right now. We are talking to the
8 choir all the time.

9 MR. WYNN: Exactly. In closing, let me just
10 say that if we are going to have veterans' specific
11 business centers, what makes a center a veterans'
12 center, what makes it unique to veterans? You have to
13 offer them information about veterans' benefits and
14 resources beyond just the business.

15 That is what the difference is. If you go to
16 a small business center or some college university
17 small business center, they don't know nothing about
18 what veterans are entitled to. If you don't have the
19 funding to have a veterans' benefits counselor on
20 staff, we can easily refer them to the veterans'
21 service organizations who provide that.

22 My last note is TVC, The Veterans Corporation.

1 This was the National Veterans' Business Development
2 Corporation. We know what it was supposed to be and
3 the dollars that came through. At this point, there
4 should be a recommendation that be resolved. It should
5 be eliminated off the books completely because it is
6 still being viewed in the community that it exists and
7 the veterans' community that it was designed to
8 represent is supporting it, and the VSOs are not
9 supporting it.

10 As well intentioned as the people who are
11 running it right now are, they should form their own
12 non-profit veterans' business group if that's what they
13 want to do, but if it's not being funded by Congress,
14 it's not being recognized by the VSOs, it should not
15 continue to utilize that same name and that linkage to
16 get them access going forward.

17 MR. GARCIA: I agree with you on that. You
18 have that Federal charter status there. Get rid of it
19 all but keep that charter and bring it into whatever
20 this Task Force is going to re-group itself to, unless
21 you get rid of the Federal charter and get another
22 Federal charter. These charters are hard to get.

1 There is a Federal charter sitting there that
2 is not being utilized the right way. Get rid of it,
3 crash and burn it. Take that Federal charter out, give
4 it to this Task Force to do something with it.

5 MR. WYNN: Sure. If you want to try to create
6 the entity again, you have the charter there in place.
7 As it used to exist, it should be resolved.

8 MR. GARCIA: Absolutely.

9 MR. WYNN: I'm done. I appreciate your time
10 and having a chance to talk to you.

11 MR. LINSCOTT: Thank you, Joe. Any questions
12 for Joe?

13 MR. CALDERON: Just a quick comment. The new
14 veteran business outreach center grant, almost as an
15 aside, has a component in there about transitioning
16 veterans, homeless veterans, women veterans, stuff like
17 that. I think they are in the right direction.

18 MR. WYNN: By the way, there is another piece
19 of legislation floating out of Senator Landrieu's
20 office that is calling for veteran outreach center
21 directives, to manage the centers. Have you seen that
22 legislation? They tied it in with a lot of employment

1 stuff. It's not clear if it is really going to make it
2 through.

3 MR. ELMORE: I've looked at it. I have been
4 asked about it. I've seen lots of legislation
5 introduced over the last half a dozen years about
6 expanding the veterans' business center program. I
7 haven't seen any of it pass and become law. I guess we
8 will just have to wait and see.

9 MR. WYNN: I definitely would like to see this
10 Administration put more -- the old saying, put your
11 money where your mouth is. If you really want to
12 increase contracting and business development for
13 veterans, you know we have to have more funding.

14 MR. ELMORE: Yes.

15 MR. WYNN: Let's get the message out there to
16 them. Maybe they will hear it eventually.

17 MR. LINSOTT: Thank you, Joe. We will go off
18 the record now, please.

19 (A luncheon recess was taken.)

20

21

22

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

2 (1:30 p.m.)

3 MR. LINSCOTT: Resuming the session.

4 Basically, all we have left to do is to continue to go
5 down our laundry list. We talked about increasing the
6 integrity of certifications on the status of business.
7 That was sort of tied in with the previous topic.

8 AGENDA ITEM IV

9 MR. LINSCOTT: Reducing the paperwork and
10 administrative burdens on veterans in business
11 development and entrepreneurship opportunities.

12 I don't know. Do you guys have anything on
13 reducing the paperwork and administrative burdens?

14 MR. MILLER: Cut it in half.

15 MR. LINSCOTT: That's, I guess, obviously the
16 easy thing, reduce it.

17 MR. WHITE: That's a joke.

18 MR. MILLER: Then it's a waste of time.

19 MR. LINSCOTT: I don't know that we would be
20 effective, that anything we could say would be
21 supportive other than sure, it sounds like a great
22 idea.

1 MR. WHITE: I worked for the SBA for three
2 years. That was when Carter was President and he had
3 the Paperwork Reduction Act that passed. My paperwork
4 that I was demanded to do tripled under the Paper
5 Reduction Act.

6 MR. LINSOTT: I think the only comment I
7 could make about reducing paperwork or administrative
8 burden would be through the interagency task force
9 concept that hasn't seemed to be implemented.

10 There was a discussion about an interagency
11 task force requirement over the last year, and to my
12 knowledge, there hasn't been anything done with an
13 interagency task force. Until they get it to maybe
14 your VA registration counts, or your SBA registration
15 counts, or your CCR counts for everybody, something
16 like that, you're probably not going to get any
17 reduction.

18 AGENDA ITEM V

19 MR. LINSOTT: Increasing and improving
20 training and counseling services provided to small
21 business concerns owned and controlled by veterans.

22 MR. WHITE: Expand the veterans' business

1 centers.

2 MR. LINSCOTT: Bill got eight more centers
3 this year, so there is 16 total.

4 MR. WHITE: You should have one in every
5 state.

6 MR. LINSCOTT: Exactly. If we have 16,
7 counting Puerto Rico and Guam, we need a few more.
8 Continue to fund that program and quadruple its budget.
9 \$2.5 million, probably needs to be something more
10 around \$20 million to do an effective job.

11 AGENDA ITEM VI

12 MR. LINSCOTT: Making other improvements
13 relating to the support for veterans' business
14 development by the Federal Government.

15 MR. MILLER: For \$5 million, you could put the
16 exact same thing in every state that we are doing down
17 there in Arkansas. That's where the rubber meets the
18 road. That is where the training takes place. That is
19 where the hand holding takes place. It only takes \$5
20 million. I've been harping on that ever since I've
21 been here. It ain't going to happen.

22 MR. LINSCOTT: \$5 million for one year?

1 MR. MILLER: Yes, for one year. A \$100,000
2 grant. You have to be self sufficient. You can't hire
3 any more people. You can't rent office space, you have
4 to put it in an organization that's already up and
5 running. Piece of cake.

6 MR. LINSOTT: The model of this business
7 development center seems to be really kicking off. It
8 has gotten the full support of this Committee since the
9 concept's inception.

10 MR. MILLER: The business centers are
11 different. They are stand alone's. They would have to
12 have more money. A grant just like we did, we got no
13 overhead. Everything is there. All you have to do is
14 put a dedicated person there, utilize their support,
15 and you're off and running.

16 MR. WHITE: It's models that are working.

17 MR. MILLER: The difference is you have a
18 dedicated person that does nothing but veterans. They
19 already have the contacts. Then you end up with stuff
20 like this. You end up with a procurement opportunity
21 at the state level and he's got every one of his small
22 business veteran people there competing for

1 procurement.

2 MR. WHITE: If anything, as a general thing,
3 this whole program has been and continues to be way
4 under funded.

5 MR. MILLER: Oh, yes.

6 MR. WHITE: Under funded and under supported
7 by human resources, meaning it's obvious that office
8 needs more people. Look at what they do for women in
9 business. Why should veterans be short shifted. They
10 are spending \$18 million a year on women in business
11 programs here.

12 MR. MILLER: If you can make it happen, which
13 I doubt you could even come close, and this sounds a
14 little outside the normal conversation we are having,
15 but I'd move this veterans' organization right back
16 over to the VA and take the people with them, take what
17 little money they get, put it over there with the VA.
18 They have plenty of money. Put this operation in the VA
19 and you would be amazed at how much more you could do.
20 The VA listens to veterans. They really do.

21 MR. LINSOTT: It's kind of interesting coming
22 from the outside. 2,100 employees. I think they have

1 100 more employees, so now there is 2,200 employees.

2 There was some discussion a few meetings back that the

3 American Recovery Act and Patriot Express and some

4 other loan program gave them 100 more employees to

5 administer those additional programs. Bill got zero of

6 the 100 increase.

7 I almost wonder if behind the scenes here --

8 MR. MILLER: Should we go off the record?

9 MR. LINSKOTT: No, I don't think so.

10 MR. WHITE: Let it be on there.

11 MR. LINSKOTT: I almost wonder if the fact

12 that the Veterans' Business Development Office is so

13 minimally staffed -- that the true reason that is is if

14 they put -- I know how the military works. If you put

15 the force structure, that they call it in the military,

16 into a weapon system and that weapon system gets moved,

17 the force structure goes with it, the duty slots goes

18 with the weapon system. That's how DOD works.

19 I almost wonder if the fact that the Veterans'

20 Business Development Office doesn't have anything but a

21 skeleton staff is the fear would be if they built the

22 thing up to be viable and realistic, the VA would take

1 it and they would get the force structure.

2 Interesting.

3 MR. WHITE: They don't seem to care here.

4 MR. LINSKOTT: Other than they would lose the
5 duty slots they are allocating some place else.

6 MR. MILLER: I would move it, if I could wave
7 a magic wand, I'd move it tomorrow. They are getting
8 millions of new dollars. I'm telling you, in the last
9 two years, their allotments have just skyrocketed. You
10 may know a better figure than I do. I can tell you
11 they have gotten millions more.

12 MR. LINSKOTT: It doesn't make any sense to
13 me. The demographics of what we believe the breakdown,
14 the percentage based on the estimate or whatever, but
15 if there is truly 25 percent of all small businesses
16 owned by veterans, why wouldn't this organization
17 mirror the customer base. That part doesn't make any
18 sense. This organization should mirror the customer
19 base.

20 MR. MILLER: If they had named it anything
21 other than "Small Business," it would have been over
22 there anyway. Since they put the words "Small

1 Business" to it, then they said where else should it
2 go, the Small Business Administration.

3 When it came over here, they didn't give them
4 any money. If we hadn't gotten these VBOs and these
5 additional grants that we are getting, his allocation
6 of monies would be terrible. It's terrible anyway.

7 MR. WHITE: Historically, it's been half a
8 million, \$700 million, for their whole office.

9 MR. LINSKOTT: At our first meeting when we
10 came, we had a \$750,000 -- the SBA annual budget
11 was -- I forget the number but their annual budget, the
12 one by the Administration, something like \$220 million.
13 The Veterans' Division got \$700 million.

14 MR. MILLER: The one thing that makes it even
15 worse is at one time, and Steve is probably well aware,
16 we had direct veteran loans right out of the SBA. It
17 worked.

18 MR. LINSKOTT: We have it in the
19 recommendations to fix -- I think we are pretty much
20 done with whatever the agenda is we have laid out for
21 this session, guys.

22 I think we have some new business and we will

1 recap some other things, and then we can discuss really
2 what we need to for possibly some agenda items for next
3 meeting. There are only three of us. It doesn't make
4 any difference. We can still get to Felix what we
5 want.

6 AGENDA ITEM VII

7 MR. LINSCOTT: What I have for the recap of
8 this session is issues that we need to explore to
9 recommend as we participate or approach the National
10 Governors Association, so we can work more closely with
11 them or have our voice maybe heard through them.

12 MR. WHITE: Each state has John's counterpart,
13 State Veterans' Director. As it is here, it depends on
14 who the Governor is, who the State Director is, whether
15 or not they are going to do anything.

16 He was naming off five people, but there are
17 probably 25 that don't do a thing. That needs to be
18 one of the things that would have to happen, they would
19 have to see the benefits. If they can see the benefits
20 of assisting business growth, having new businesses
21 start, new employment created, new jobs, new economic
22 vitality to an area, small business is where it has to

1 be, and have that growth and show tax revenues for the
2 state, all of a sudden, oh, wait a minute, we have
3 something here.

4 The veteran business community, it is just is
5 continuously ignored and not marketed.

6 John would be a good guy to talk to about
7 identifying those people. Maybe there is a
8 communications thing that can happen between the state
9 directors. We never get it down to the state level.
10 That's where it has to be.

11 MR. MILLER: I think at the last meeting it
12 was agreed that Felix and John would go to NASDVA and
13 brief them on this program.

14 MR. WHITE: Yes.

15 MR. MILLER: I don't know if they ever came up
16 with any dates or not. We talked about that. I think
17 it's a great idea. John has already talked to them
18 sort of informally at their national meetings, but
19 nobody has ever gotten up in front of the audience and
20 said this is who we are and this is how you can help.
21 Georgia and Arkansas, they are the only ones I know
22 about. They do a great job. Of course, New Mexico

1 does a great job. Other than that, I don't know.

2 MR. LINSKOTT: I'll bullet that in the e-mail
3 I put out to the whole group. The comment "NGB
4 members" included in the Investment Act, do you
5 remember what that was all about?

6 MR. MILLER: NGB?

7 MR. LINSKOTT: National Guard Bureau. The
8 Guard Bureau members aren't included in this veterans'
9 discussion. My notes said the National Guard Bureau
10 members are included in the Investment Act.

11 MR. MILLER: It would be Guard and Reserves,
12 wouldn't it?

13 MR. LINSKOTT: Yes. Guard and Reserve. I was
14 trying to figure out if it was about the fact that the
15 Executive Order said Department of Treasury, Defense,
16 Labor, Veterans' Affairs, OMB, Small Business
17 Administration, and if that's where they thought it
18 should have been included, Guard and Reserve members
19 should have a voice in this upcoming Task Force.

20 MR. WHITE: I don't know. We were talking
21 about what else, Commerce and Education should be
22 there. I don't think the Guard and Reserve thing was

1 not going to be covered from that end of it.

2 MR. LINSCOTT: I plugged a little note on it.

3 MR. MILLER: If they serve 181 days on active
4 duty, they are a veteran. Almost all of them have.

5 MR. WHITE: I think the Guard and Reserves,
6 now, I think it's legislated that they are considered
7 veterans; right?

8 MR. LINSCOTT: I didn't know you had to have
9 181 days of active duty.

10 MR. MILLER: It used to be that way. It may
11 have changed, to be a veteran, to qualify for veteran
12 benefits.

13 MR. LINSCOTT: I didn't know that.

14 MR. MILLER: It could have changed. I don't
15 know. That's what it used to be.

16 MR. WHITE: How many don't have that?

17 MR. LINSCOTT: Boot camp and advanced
18 training.

19 MR. MILLER: We just sent an engineer
20 battalion back for the third time, National Guard. Our
21 infantry brigade has been back twice.

22 MR. LINSCOTT: When is their next slated

1 rotation?

2 MR. MILLER: They will go back.

3 MR. LINSCOTT: SBA to include vet status on
4 all applications.

5 MR. WHITE: It's really the bank. Ninety
6 percent of the loans are made by the banks on their own
7 forms. SBA needs to ask if the loan applicant is a
8 veteran or not. However they can get the banks to do
9 that. Maybe the banks will say they are not going to
10 do that.

11 MR. LINSCOTT: However the mechanics of that
12 will work, but it would sure help us track our numbers.

13 MR. MILLER: Isn't there a national banking
14 association or national organization?

15 MR. WHITE: They have a number of bank
16 associations.

17 MR. MILLER: You might think about contacting
18 those folks and asking them to be of assistance. The
19 thing you said earlier today about getting the banks
20 involved, that's what we did in Atlanta. We found two
21 huge banks, one of them, the president was a veteran.
22 The other one was a lady whose husband was a veteran.

1 We had one meeting with them. From then on, you could
2 just forward people over to them left and right.

3 This grenade that you see on the stand that
4 says "Take a number," he had that, and it was a silver
5 one right on his desk.

6 MR. LINSCOTT: The next one, fix the lack of
7 loans. We had use the existing authorities.

8 MR. WHITE: Fix what?

9 MR. LINSCOTT: Lack of loans. It's been a
10 total lack of lending. One was use existing
11 authorities, which are direct loans, participation
12 loans, and extend the Patriot Express.

13 Any ideas? There has been an absolute lack of
14 loans. I think the data that was given --

15 MR. MILLER: You are almost out of the realm
16 of doing anything about that because there are no
17 direct loans. You'd have to convince the banking
18 community in some way to make more loans. You can do
19 that by the SBA supporting a percentage or something
20 like that if they would.

21 MR. WHITE: Right now, they are doing 90
22 percent guarantees. I don't know what else they could

1 actually do. There are no fees. I think communication
2 with the banks at high levels --

3 MR. MILLER: Very high.

4 MR. WHITE: Would be the type of thing
5 necessary to make stuff happen. I was mentioning Chase
6 has this \$10 billion loan program right now for small
7 businesses. They are advertising like crazy. They
8 have full page ad's in the New York Times and Wall
9 Street Journal, USA Today. They are spending millions
10 on advertising.

11 MR. MILLER: Private industry, are they
12 getting any stimulus money, Federal money?

13 MR. WHITE: No, they're trying to say that
14 they paid back the TARP monies.

15 MR. MILLER: They are ready to go again.

16 MR. WHITE: They are saying they have made
17 this commitment, \$10 billion, for small business, to
18 stimulate the economy. I don't know what is happening.

19 MR. MILLER: Of course, when you get in and
20 start filling out the paperwork, it may be different.

21 MR. WHITE: When you have a big bank like that
22 saying that, like the Administrator should be calling

1 them and saying let's do something here. You have
2 already committed \$10 billion, we can make it \$100
3 billion if you encourage SBA lending. They could
4 leverage it so much.

5 Say you make a \$100,000 loan to somebody with
6 an SBA guarantee, \$90,000 of that, you can sell and get
7 your money back, get that back. Now you have 90 grand
8 to lend out. You can lend out 90 percent of that. You
9 just keep going. You leverage it all up and you get a
10 bunch of loans out of the same chunk.

11 MR. LINSCOTT: It would appear that would be a
12 good profit margin.

13 MR. WHITE: You almost can't calculate it
14 because you are getting your money back, you are
15 getting a fee for the guaranteed portion anyway, like
16 one percent. You sell the guaranteed portion and make
17 a profit on that. You get more than 90 grand back when
18 you sell it. It's nuts. You still have the account
19 and you still have the interest on the ten percent.

20 I really don't know why that is not making a
21 move. You can't make it too much more sweet for the
22 banks.

1 MR. LINSCOTT: Makes me want to be in the
2 banking business. I e-mailed this morning the capital
3 access conference call with John, Joe, Steve and Pat
4 Mackrell.

5 MR. WHITE: What we said we would do is wait
6 until we got the information from the other agencies
7 and then we can compile that and figure out what we are
8 going to do.

9 MR. LINSCOTT: Fair enough. To give Bill a
10 head's up, that we'd like to do that. That is already
11 in the mix for whenever it occurs. The head's up
12 announcement has been made.

13 Develop the new recommendations to the Task
14 Force, which is what we have spent the last day and a
15 half talking about. There is a lot of different stuff.
16 We talked about lines of credit and whether or not
17 there could be a language or policy for co-signing and
18 different aspects to loan programs. I don't know what
19 I will put down on the notes there.

20 MR. WHITE: Bill was going to put it in his
21 report to the Administrator that they recommend she as
22 the Chair ask for the other agencies to send their

1 stuff; right? He's doing it through her and she's
2 sending it out.

3 MR. LINSKOTT: That is correct. The ones that
4 are on the Task Force, the laundry list, get their
5 information back.

6 MR. WHITE: That is coming from her office
7 requesting that information.

8 MR. LINSKOTT: That is my understanding. We
9 talked about an event specific to veterans and SBA
10 being the lead agency, special consideration to
11 veterans. Bill direct to Task Force is in my notes.

12 I guess it is small business week. They are
13 doing things for all these other people but nobody does
14 anything for vet business. Is that what we were
15 talking about?

16 MR. WHITE: Yes.

17 MR. LINSKOTT: Specific, maybe SBA would do
18 something, an event specific to the veterans' small
19 business, help host it here at the SBA in honor of
20 veterans, small business week, something like that. Is
21 that what we are really talking about there?

22 MR. WHITE: I don't know.

1 MR. LINSCOTT: We can go on that off line.

2 Here's the draft letter, for Bill to draft a letter
3 from OVBD to the other agencies to supply what they are
4 doing. That's on there. That's a Bill thing.

5 The surety bond review and performance of the
6 90 percent guarantee, franchising.

7 MR. SALDANA: I'm just thinking out loud. I
8 just came from a meeting on the Hill. There was a
9 hearing on the President's initiative. You would think
10 the agencies that were being designated to be on that
11 council would be those agencies that have major
12 veterans' programs, like the SBA.

13 If you wanted to offer more resources for the
14 SBA Veterans' Affairs Office, then through this
15 council, you could do that. The SBA doesn't belong to
16 the council. It is only VA, OMB and Labor. I'm
17 thinking why those agencies and not SBA. SBA has the
18 SBA Veterans' Affairs Office. Yet, they are supposed
19 to talk about employing veterans for the various
20 programs of the agencies.

21 MR. WHITE: Where's the common sense factor.

22 MR. SALDANA: This Order was issued six months

1 ago.

2 MR. LINSCOTT: Interesting observation.

3 MR. SALDANA: There was a very big hearing on
4 the Hill on this. No mention of SBA or no one from
5 SBA.

6 AGENDA ITEM VIII

7 MR. LINSCOTT: How about new business items?

8 MR. MILLER: You mean for the next meeting?

9 MR. LINSCOTT: Yes, or what we should discuss
10 during this meeting. Got any pressing new business
11 items? Have they established dates for the next
12 meeting? Is anybody aware of that?

13 MR. MILLER: I have a recommendation. August
14 is probably the next time. That is three months. 23
15 to 26, August.

16 MR. LINSCOTT: 23 to 26?

17 MR. MILLER: Yes.

18 MR. LINSCOTT: Joe was just talking to me
19 about the American Legion is putting on a small
20 business something.

21 MR. WHITE: In Detroit.

22 MR. LINSCOTT: The end of the month.

1 MR. MILLER: Monday is the 30th. The
2 following Monday is the 30th.

3 MR. LINSCOTT: The 23rd is a travel day, 24th
4 and 25th for the meeting?

5 MR. MILLER; And then the 26th, travel.

6 MR. LINSCOTT: Monday is the 23rd?

7 MR. MILLER: Yes. 23 through 26.

8 MR. LINSCOTT: Okay. Is that good? I will
9 put that on in the thing to Felix.

10 MR. WHITE: We can also see when and if we get
11 anything back from these other agencies. It would be
12 interesting if we got any answers back from anybody on
13 the stuff we asked for.

14 MR. LINSCOTT: It's been really interesting to
15 me, the process that we go through here. Maybe there
16 is somebody listening and maybe there is nobody
17 listening. Maybe advice is advice. I don't know.

18 I think the Executive Order that came through
19 sounds initially exciting as when I got my invitation
20 to be a member of this Committee, seemed real exciting
21 and I was going to have an impact or be able to
22 contribute to something that would have an impact and

1 do some good. I'm not convinced it has any impact and
2 has done any good.

3 MR. WHITE: No, I agree.

4 MR. MILLER: We have a fairly decent loan
5 program. It's not excellent by any stretch of the
6 imagination. We do have a loan program. We did get
7 some additional VBOs and a few grants.

8 MR. LINSOTT: I'm still hesitantly excited
9 about this new Task Force. It seems to mirror what we
10 are trying to do on the same issue. It will be
11 interesting if Mr. Elmore gets assigned or the
12 Associate Administrator of Veterans' Business
13 Development is assigned as the Small Business
14 Administration representative to the Task Force. That
15 would be interesting.

16 The other one that I am excited to see, to
17 share with my Committee mates, is our recommendations
18 get briefed at this Task Force from the SBA
19 Administrator as discussion items. That will have some
20 value to me if that occurs.

21 MR. SALDANA: Or if SBA is going to have input
22 into the presidential memorandum.

1 MR. LINSCOTT: I don't know. Any new issues
2 other than meeting dates? Anything that we did not get
3 on the record that somebody wants on?

4 MR. WHITE: I think the frustration level of
5 the Committee should be mentioned, that we are somewhat
6 concerned whether or not anybody listens to the
7 Advisory Committee's comments. We don't get any
8 feedback.

9 I go back to the perfect example of when the
10 Chief of Staff when I was here, that million dollar
11 fund for a women's veterans' program when not even
12 discussing it with us or the Veterans' Business Affairs
13 Office.

14 I would question whether or not there is
15 really true support for veterans' entrepreneurship.
16 It's not reflected in their actions and/or words. It
17 certainly is not reflected in their budgets or funding.

18 MR. LINSCOTT: I concur with that. That's
19 been my observation. Anything else for the Task Force
20 memorandum?

21 (No response.)

22 MR. LINSCOTT: Without further ado, thanks for

1 being here, guys.

2 MR. MILLER: Was John coming back?

3 MR. LINSOTT: They have this small business
4 week going on. Thank you, Lupe.

5 MR. SALDANA: Thanks for inviting us.

6 MR. LINSOTT: Thank you for coming to
7 participate. Ma'am, thank you for all your continued
8 dedication and support.

9 With that, we will adjourn our meeting for
10 this session.

11 (Whereupon, at 2:04 p.m., the meeting was
12 adjourned.)

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