

THE UNITED STATES ASSOCIATION OF VETERANS IN BUSINESS (USAVETBIZ)

STATEMENT FOR THE RECORD

**US CONGRESS HOUSE SMALL BUSINESS COMMITTEE
Subcommittee on Contracting and Technology**

March 12, 2009

"Ensuring Stimulus Contracts for Small and Veteran-owned Businesses"

The great independent engine of commerce, creativity, job creation and entrepreneurial vitality that has been the mainstay of the Nation since our founding is now foundering. The Administration and the Congress are acting to bailout and bootstrap failed banks, corporate giants and underwrite the rescue of a grotesquely lax mortgage industry. All of this is well and good, but what about Small Business America - the truest "stimulus" component of the economy of the United States?

As the Federal government, via several lead Departments, undertakes the contract expenditure of hundreds of billions of dollars in work projects across the country, it is imperative that small business have maximum opportunity to do this work at all echelons of the contracting chain. And, to the greatest extent practicable, small businesses owned by military veterans (VOSB) should come first in these considerations. These economic and cultural times are challenging from Main Street to Wall Street and no group of small business entrepreneurs are more deserving of preference opportunity to do business with and for the United States of America than the men and women who have defended her –nobody.

It's time for the Congress to do the right thing. It's time to see the expansion of "Vets First" small business contracting as a mandatory consideration for all government agencies and to expand the "Veterans Enterprise Program" to include all qualified Veteran-Owned Small Businesses (VOSB) regardless of service-connected disability status. It's also important that Congress require the states to adopt similar procedures when expending federal funds on local contract projects. This would involve the wholesale revamp of current policies and procedures of the Department of Transportation (DOT) which exclude veterans in business.

Congressionally mandated goals for contracting with veterans in business are important, but no goal should have to supplant the inherent responsibility of the federal government for assisting, seeking out and doing business with military veteran small business owners wherever possible. This is particular true concerning the Department of Defense (DOD) and the Department of Veterans Affairs (VA).



In recent years the VA has achieved unparalleled participation of veterans in business in its contracting programs. Still, VA's contracting workforce is taxed to the max and it remains to be seen if the VA will be further compelled to contract out its construction and facilities repair business to another agency to manage. If this happens, will veterans come first on the plate of the Corps of Engineers contracting activities? And, what added administrative costs will the VA (the taxpayers) incur?

At DOD, given the different nature of what is procured, the matter of identifying significant numbers of qualified service-disabled veterans in business (SDVOSB) for competitive inclusion has been very problematic. There is no set-aside or preference consideration program for non service -disabled VOSB, other than as a secondary consideration at the VA, anywhere else in government. Among other cogent reasons, some of significant legal importance, the ability of the federal government to achieve the fullest participation of veterans in business in its contracting programs dictates that the program be open to all VOSB.

However inadvertent, the very title of this hearing misstates the federal reality. As it currently stands in federal procurement procedure one has to be a SDVOSB to get preference consideration. Non service-disabled VOSB need not apply.

USAVETBIZ recently completed a national survey of veteran-owned (VOSB) and service-disabled veteran-owned small businesses (SDVOSB) engaged in the federal marketplace. 96% percent of all responders supported expanding the program. It's time to end the opportunity divide among veterans who are service-disabled and those that are not, or for those who choose not to apply for disability recognition.

More and more the population of military veterans mirrors the diversity of the country. Veterans are made, not born. We are not torn asunder by race, background or gender. The V in the word Veteran does not stand for victim and to expand preference business consideration for all veterans-owned small business would significantly expand opportunity for thousands of minority and women veterans in the federal marketplace of today and the future.

New law is needed that clearly finds and declares that all military veterans by virtue of service and sacrifice on behalf of the people of the United States of America have earned and deserve preference and priority consideration in the award of government small business contracts and subcontracts. And exceptional effort should also be made to assist our most severely disabled veterans who come to aspire to self-employment and business ownership.

USAVETBIZ is a national non-profit membership trade Association dedicated to enhancing awareness of and opportunity for veterans in business in all channels of commerce, public and private. More information about USAVETBIZ is available at www.USAVETBIZ.org

