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U.S. SMALL BUSINESS ADMINISTRATION

INTERAGENCY TASK FORCE ON
VETERANS SMALL BUSINESS DEVELOPMENT

PUBLIC MEETING

WEDNESDAY, MARCH 7, 2018

1:00 P.M.

Recorded by: Jennifer Metcalf Razzino

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

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3 (Meeting called to order, 1:05 p.m.)

4 MS. CARSON: Good afternoon and welcome to the
5 Interagency Task Force on Veterans Small Business
6 Development. I'm Barb Carson, the Associate
7 Administrator for the Office of Veteran Business
8 Development here at the U.S. Small Business
9 Administration, and I am pleased to turn the meeting
10 over to Deputy Administrator, the Honorable Allie
11 Leslie to kick us off.

12 MS. LESLIE: Thank you, Barb, and welcome
13 everyone. Welcome back to SBA, it seems like forever
14 since we last met. Although it was, what, a couple
15 months?

16 MS. CARSON: Um-hum.

17 MS. LESLIE: Three months, yeah, so it is
18 forever. Since that time I have had a chance to meet
19 with the deputy secretary of Veterans Affairs and had a
20 very positive meeting with him on collaboration between
21 Small Business Administration and the VA.

22 One of the big takeaways was we are still not
23 ready to totally take on the CVE, because there is a
24 lot of information that is still outstanding for the
25 Small Business Administration to make a really well-

1 informed decision on how we can move forward with this
2 to ensure success.

3 What we don't want to do is just punt it over
4 the fence, and take it, run with it, and then run right
5 into the ground, so we need to make sure that we have
6 the information, the data to make the right decisions,
7 and to put the program in place so that it will be
8 successful ultimately for both VA and SBA, and also our
9 veterans, our veteran community.

10 Barb and her team were invited to the
11 Department of Labor to look at how we can work together
12 with them to address licensing and credentialing that
13 affect military families and veterans of veteran-owned
14 small businesses and found new network connections as
15 well with that organization.

16 MS. CARSON: Um-hum.

17 MS. LESLIE: So the Department of Labor is
18 key, because they're looking to get jobs, just like we
19 are looking to get jobs for our veterans, so it's a
20 great partnership.

21 I think the next one will be DOE that we'll
22 need to tap into, because they're also fundamental in
23 our job market and getting the skills we need at the
24 trade levels. So veterans bring a lot of those skills
25 into the market and so between labor, and education,

1 and getting the refinement into industry I think could
2 be key going forward.

3 MS. CARSON: Um-hum.

4 MS. LESLIE: And today we will get updates
5 from all our members, as normal, and we also have our
6 national ombudsman representative here. Natalie, thank
7 you so much for joining us today. Is Nate also coming
8 or --

9 MS. DUNCAN: He's unable to make it today, but
10 he'll be here tomorrow.

11 MS. LESLIE: Okay. So we have excellent
12 representation from Natalie, she's been with the Office
13 of Ombudsman and was actually the acting ombudsman for
14 a period of time before Nate came in as the -- in that
15 role. So as a deputy, Natalie, thank you very much for
16 being here and welcome.

17 MS. DUNCAN: Thank you.

18 MS. LESLIE: And last, we had a little
19 homework from our last meeting on getting the '15/'16
20 combined report. We already had the information for
21 FY-'16. And '17 has been very slow in coming in, we
22 have nothing, so please get your information in.

23 We do not want to be two-years late on this
24 report, especially since the '16 report is already a
25 year late. So, please, I ask your cooperation, if you

1 can go back to your agencies and make sure we get that
2 information, because I would hate to have to go pay
3 office calls to your senior leadership.

4 Okay. Actually, I wouldn't mind paying the
5 office calls, but I wouldn't want this to be a topic of
6 discussion.

7 MS. CARSON: Right.

8 MS. LESLIE: And with that I will turn it over
9 to Barb with the agenda. Thank you.

10 MS. CARSON: Thank you very much, ma'am.
11 We'll do a little bit of housekeeping before we get
12 started and do a roll call to make sure we know who is
13 with us today --

14 MS. LESLIE: One more.

15 MS. CARSON: -- on record. Go ahead.

16 MS. LESLIE: Sorry, I had one more alibi. I
17 also met with the commander of the -- the American
18 Legion, she has so much support for our organization
19 and we have a partnership with them. We have an MOU
20 that is -- was it actually signed or --

21 MS. CARSON: Very soon.

22 MS. LESLIE: Okay. Very soon to be signed and
23 that will solidify the partnership. One of the items
24 that came up during our discussion was the use of the
25 -- sorry, GI benefits for veteran entrepreneurship.

1 And at one point I didn't think that the American
2 Legion was supportive of that, but she is very
3 wholeheartedly supportive. So hopefully when that
4 initiative does resurrect itself, or we resurrect it,
5 somebody resurrects it with Congress, we will see some
6 legislation that supports us.

7 One of the areas that they focused on was the
8 fact that the GI bill was originally for jobs, it
9 wasn't necessarily for education, and over time it has
10 gone -- specialized into just education. So if we
11 could take it back to the root intent of the GI bill,
12 then perhaps we'll be successful. And with the
13 partnership between the American Legion, and Veterans
14 Affairs, and SBA, maybe we can get it through this
15 time. So that's my alibi, thank you. Now, I did that
16 because I do have a hard stop today.

17 MS. CARSON: Okay.

18 MS. LESLIE: So if we're not done, I will have
19 to leave.

20 MS. CARSON: I'm glad you brought that up,
21 ma'am. That was fantastic, thank you for that update.
22 And for the American Legion, as always, for your
23 enduring partnership, we appreciate that.

24 So we will do roll calling. I start in the
25 room and American Legion today is represented by...

1 MR. LEGHORN: Davy Leghorn.
2 MS. CARSON: Nice to see you again. General
3 Services Administration.
4 MS. VAN ABSHER: Elizabeth Van Absher.
5 MS. CARSON: Department of Defense.
6 MS. DIAZ: Kasey Diaz.
7 MS. CARSON: Department of Veteran Affairs.
8 MS. TORRES: Beth Torres.
9 MS. CARSON: Department of Labor.
10 MR. METHENY: Bill Metheny.
11 MS. CARSON: And do we have on the phone the
12 Office of Management and Budget?
13 (No response.)
14 MS. CARSON: Or Department of Treasury?
15 (No response.)
16 MS. CARSON: And StreetShares Foundation?
17 (No response.)
18 MS. CARSON: No?
19 (No response.)
20 MS. CARSON: Okay. Then we'll proceed. I
21 have a brief update for you. We've been doing a lot of
22 work in the past three months of -- of getting
23 ourselves ready for mini-program updates or
24 improvements and a lot of it is due to the
25 recommendations we've received from this Interagency

1 Task Force as well as tomorrow's, the Advisory
2 Committee on Veteran Business Affairs, so I'm going to
3 go through that. Those of you who are in the room have
4 these slides and those of you who are on the phone,
5 perhaps you can get these by writing
6 veteranstaskforce@SBA.gov.

7 I'm going to start with the Veterans Business
8 Outreach Center program and last time I told you we had
9 released a funding opportunity on grants.gov. We had
10 great competition, we have over 40 eligible applicants.
11 We have concluded the evaluation process, and we have
12 made recommendations for the deputy administrator's
13 consideration, and we do expect to announce those by
14 April 1st so that they may begin work on May 1st of
15 this year.

16 And I will remind you that their primary
17 mission and what they're goaled against is their
18 participation in transition assistance, that is by
19 statute their primary role and we count on them to
20 cover -- last year we had 17,000 participants in the
21 Boots to Business program at over 200 military
22 installations around the world, so it's a big job. And
23 the VBOCs is not in it alone, but they are the -- the
24 lead resource partner for that.

25 We continue to encourage other resource

1 partners, including the Women's Business Centers, Small
2 Business Development Centers, and SCORE Mentors to join
3 in, and really provide that dynamic instruction, and
4 introduce the participants to all the resources
5 available in the Federal Government. This is their
6 gateway, this is where they go from idea, to check with
7 the feasibility, and hopefully to launch. So those
8 VBOCs will be announced soon and we look forward do to
9 introducing you to them in summary during our June
10 meeting.

11 I also am pleased to tell you that the Veteran
12 Federal Procurement Entrepreneurship Training Program,
13 which is the sole grantee of the Veteran Institute for
14 Procurement, represented today here by Barbara Ashe,
15 will have its 1,000th graduate and the successes of VIP
16 grads.

17 (Applause.)

18 MS. CARSON: Yes, congratulations.

19 MS. ASHE: Thank you.

20 MS. CARSON: And the -- the SBA administrator,
21 Linda McMahon, will be present for that momentous
22 occasion. This, as you've heard me say before, VIP,
23 has value in the marketplace. Being able to say that
24 one is a VIP graduate is beginning to mean a lot to
25 agencies who are looking to do business with service-

1 disabled veteran-owned small businesses and veteran-
2 owned small businesses.

3 So, Barbara, I thank you and your -- your
4 incredible team for the contributions you've made and
5 we welcome you at the public comment if there's
6 anything else you'd like to say.

7 MS. ASHE: Oh.

8 MS. CARSON: Would you like, now?

9 MS. ASHE: Oh, sure. Thank you. Well, I -- I
10 -- you know, I just want to say that -- well, we have
11 agency representation at the VIP Marketplace and we're
12 going to be reaching out to each of the federal OGS
13 offices and -- and others that are responsible for
14 veterans small business participation with the tool
15 that -- because of SBA's generous support of VIP, you
16 all get the Marketplace tool at no cost and it's
17 basically our VIP graduates.

18 It's an online searchable engine where you can
19 search for requirements, you can do sources sought,
20 RFIs, and search for capabilities. It's keyword
21 searchable, so I'm using this as an opportunity just
22 because you're going to be hearing from me and I think
23 it's just going to be a great resource tool to you all.
24 They're already using it to find teaming partners and
25 -- and so -- and the primes are using it to find

1 subcontracting partners, so -- so more to come. So
2 thank you.

3 MS. CARSON: Thank you. You know the stats
4 better than I, but if you could speak to the success of
5 VIP graduates on VA VECTOR and G --

6 MS. ASHE: Oh, yeah.

7 MS. CARSON: -- GWAC too.

8 MS. ASHE: Oh, yeah. Absolutely. I'm so
9 excited. So VECTOR was a very large, you know,
10 government-wide acquisition contract that the VA put
11 out for solicitation and over one-third of the VIP --
12 one-third of the PRIME award recipients were VIP
13 graduates. And I have yet to meet a team that didn't
14 have a VIP on it, but, you know, it's harder to find
15 the teaming information.

16 And we just also got news that the CIO-SP3 was
17 just released, which is a NITAAC and it's an NIC, a
18 very-large GWAC. And there were nine veteran-owned
19 small businesses and sort of stable veteran-owned small
20 businesses in the small-business down select and out of
21 that nine, six were VIP grads.

22 MS. CARSON: Um-hum.

23 MS. ASHE: So we continue to track. This
24 program only works when they win, so it's important
25 that we track --

1 MS. CARSON: Right.

2 MS. ASHE: -- their success, and so -- so that
3 I don't know if there's -- there's others. We track
4 the Alliant and -- and -- and other large where
5 there's, you know, data that we can, but the -- we --
6 we see it as a -- a pipeline --

7 MS. CARSON: Um-hum.

8 MS. ASHE: -- for -- for the agency's success.
9 You're looking for capable, compliant, and companies
10 with capacity to compete and win, and -- and hopefully
11 that's what -- and we track to see whether or not that
12 is actually taking place in the marketplace, and so
13 that's important to not only our veterans, of course,
14 but to -- to the agencies that count on -- on their
15 participation and their performance.

16 MS. CARSON: Great. Thank you. And we will
17 get the Marketplace information to each of the members
18 here, so that this is --

19 MS. ASHE: All right.

20 MS. CARSON: -- another tool in the
21 Marketplace market research tool kit that --

22 MS. ASHE: Okay.

23 MS. CARSON: -- we all should have.

24 MS. ASHE: Great.

25 MS. CARSON: Thank you so much.

1 MS. ASHE: Thank you.

2 MS. CARSON: All right. I'm going to move on
3 a couple slides ahead to talk about Boots to Business.
4 I believe I mentioned this before, but this is a year
5 where we looked at our curriculum and did some
6 refreshes on things that could be added that we hadn't
7 touched on at all. And then improvements on places
8 where we saw participants kind of getting hung-up in
9 the economic model of business was one of those, so
10 we've refined some of the modules, also added in some
11 USDA content as we look at rural entrepreneurs.

12 And many veterans go back to the places they
13 came from. And still variance on exactly how many are
14 going back to rural areas, but between 30 and 40
15 percent we think are in that classified -- it's not a
16 classified space, but what USDA calls a rural area and
17 we need to serve those entrepreneurs. So we are
18 connecting them with the resources that both SBA and
19 USDA can provide to help them get started and grow in
20 their communities and continue to serve, and as you've
21 heard me say, by creating economic opportunity for
22 themselves and hopefully employ others too.

23 We also heard a lot of feedback on -- it's a
24 great introduction, but I really was hoping for more
25 information, so we've added some -- we're in the

1 process of approving some specialty tracks that once
2 they take the two-day introduction there are, of
3 course, the opportunity to connect locally with those
4 recourse partners of SBA, but there are two online
5 tracks, one offered by Mississippi State University,
6 the other offered by Cornell University in coordination
7 with Syracuse University, those are for folks who are
8 closer to launch.

9 It really will use the lean business
10 principles, take a look at what your business plan is,
11 actually interact with customers, and it's all guided
12 with mentors. It's really a fantastic follow-on to get
13 people closer to that business start. What we heard
14 was, okay, that's good general information, but I'd
15 really like more on federal contracting, franchise,
16 manufacturing, technology, service industry, and then a
17 place where SBA has a lighter touch with social
18 enterprise.

19 So we do hear a lot that veterans would like
20 to continue serving their brothers and sisters in arms,
21 many of them think it's going to be through a
22 nonprofit. That is not something where SBA engages
23 directly, but often you can -- there are things you can
24 do, like a B Corp where you are setting up your
25 business to have a social impact, so we're looking at

1 that specialty track, not yet released, these all have
2 to be developed.

3 But if you are finding other areas where
4 you're getting feedback, we welcome that feedback here
5 and we always want to hear from veterans and members of
6 the American Legion, for example. If you're hearing of
7 places from your folks, we need to get outside the D.C.
8 bubble. It's not all about procurement, although
9 that's important. Where else can we be serving, what
10 can we prepare people for?

11 So then moving on to some of the collaboration
12 that's taken place in the last three months, that was
13 on the same slide. As the deputy administrator
14 mentioned, that was a great meeting with the new
15 American Legion Commander, Rohan, she'll be with us for
16 a year. She -- her term ends in August, well, so we've
17 got to get -- a lot to get done while she's here with
18 us and the executive director came as well.

19 American Legion, for those who don't know, was
20 with us from the ideation of Boots to Business, and
21 then recognized that we should be providing something
22 like this to veterans of every era, and stood by us for
23 Boots to Business Reboot, and generously offered venues
24 throughout the nation and American Legion chapters, or
25 they worked with us, to bring that curriculum out to

1 veterans of all eras, so we -- that strategic alliance
2 memorandum we're going to sign soon will reinforce this
3 continuing collaboration.

4 As the deputy administrator mentioned, we are
5 going to look again at the GI bill and how it may be
6 used potentially for self-employment.

7 (Telephone recording.)

8 TELECONFERENCE RECORDING: Welcome to
9 teleconference service.

10 MS. CARSON: We're going to pause for a
11 moment.

12 TELECONFERENCE RECORDING: Please enter your
13 access code followed by the pound sign.

14 (Number entered.)

15 MS. LESLIE: Maybe why we didn't have anybody
16 online.

17 MS. CARSON: Um-hum, I'll do another roll
18 call.

19 TELECONFERENCE RECORDING: To join the
20 conference as the host, press star.

21 (Number entered.)

22 TELECONFERENCE RECORDING: Please enter your
23 code password followed by the pound sign.

24 (Number entered.)

25 TELECONFERENCE RECORDING: There are five

1 participants on the call, including you. You're
2 joining your conference as a host. For a menu of
3 available commands, press star, pound.

4 (Number entered.)

5 MS. CARSON: Now that we have an active phone
6 line, I am going to pause, and check, and see who's
7 joined us on the phone. Do we have anyone from the
8 Office of Management and Budget?

9 (No response.)

10 MS. CARSON: Okay. Department of Treasury?

11 (No response.)

12 MS. CARSON: StreetShares Foundation?

13 (No response.)

14 MS. CARSON: Or any other guests that would
15 like to identify themselves?

16 MS. BARMBY: Hi. Good afternoon, it's Laura
17 Barmby at the U.S. Department of Commerce, a commercial
18 service.

19 MS. CARSON: Thanks for joining us.

20 MS. BARMBY: Thank you.

21 MR. MUFTARI: Hi, this is Murat Muftari from
22 the Commerce Department, also joining with the Vets Go
23 Global initiative.

24 MS. CARSON: I'm glad you could join us and
25 when we get -- after we finish the agency reports, I'd

1 be thrilled if you would say a few words about Vets Go
2 Global, so I'll come back to you.

3 MR. MUFTARI: Sure.

4 MS. CARSON: I would also want you to know
5 that Barbara Ashe, of Veterans Institute for
6 Procurement, is here in the room as well, maybe some
7 synergy there.

8 MR. MUFTARI: Sure.

9 MS. CARSON: Thanks. Anyone else on the
10 phone?

11 MS. BULLARD-MARSHALL: Maggie Bullard-Marshall
12 with Aldevra, hi.

13 MS. CARSON: Hi, Maggie, thanks for joining
14 us.

15 MS. BULLARD-MARSHALL: All right.

16 MS. CARSON: All right.

17 MR. GREEN: I'm Jim Green, Department of
18 Energy OSDBU office.

19 MS. CARSON: Is that Mr. Green at Department
20 of Energy?

21 MR. GREEN: Correct.

22 MS. CARSON: Thank you so much. Okay. We're
23 moving on to finishing the collaboration notes with
24 American Legion. Another topic I -- that came up, and
25 please correct me if I'm mistaken, ma'am, but the -- we

1 have so much energy and statutory guidance behind the
2 transition, and the ideation, and feasibility, and
3 launch, but what happens after that? What happens
4 after we've led people to this idea and they're ready
5 to scale and grow?

6 There are some existing programs within SBA,
7 one is Emerging Leaders, but there's increasing
8 interest in having a veteran-focused scaling program
9 and whether we would do that within the SBA construct,
10 or it's something that the American Legion would
11 propose and we support, or it's something to be
12 discussed. Do you have anything else you'd want to add
13 on that point?

14 MR. LEGHORN: Not right now.

15 MS. CARSON: Not at this time. Okay. I'd
16 love to come back in June, and see, and let everybody
17 know where we are with that. For the Department of
18 Defense we have a great relationship with the deputy
19 assistant secretary, public affairs, Mr. Summers, and
20 he was a former executive here at the U.S. Small
21 Business Administration.

22 So we spent time there learning about the new
23 initiatives, this is military, really trying to connect
24 the American people with -- especially with their Guard
25 and Reserve members, people who are next door to you,

1 your neighbor, and you may not even know they served,
2 want them to know about the contributions that they
3 make to the community, and also, you know, know that
4 they are serving their nation in uniform as well, SBA
5 absolutely has a part in this.

6 Those Guard and Reserve folks are quite
7 entrepreneurial and we don't have a -- a channel to
8 reach them directly. It's very hard to find
9 information about who is in that population, so we are
10 looking forward to the campaign to help support it and
11 bring forth those entrepreneurs and the resources that
12 are available to them through this partnership with
13 DOD.

14 Of course we're also doing transition
15 assistance and we have worked with the Military Spouse
16 Employment Partnership as well within DOD. So if you
17 see other opportunities for us, just let me know, but
18 that's where we are so far.

19 For Department of Veteran Affairs we will soon
20 have an agreement to better connect our field resources
21 for vocational rehabilitation and employment. There
22 are many veterans who are eligible for self-employment
23 benefits there and SBA has the technical assistance to
24 advise them and assist in getting started. So the goal
25 is to make sure that we understand each other's

1 eligibility, so that we can refer clients across in a
2 more uniform way.

3 There are some amazing things that are
4 happening already in places around the United States,
5 we'd like to make it more consistent so that veterans
6 have a great connected experience. And I think you
7 covered the other topics --

8 MS. LESLIE: Um-hum.

9 MS. CARSON: -- already, ma'am, on VA. And
10 then with Department of Labor, Bill Metheny, thank you
11 so much. He brought us in for something I'd never
12 heard of, we love acronyms, AT --

13 MR. METHENY: Oh.

14 MS. CARSON: -- ATVET, right?

15 MR. METHENY: Yes.

16 MS. CARSON: All Things Veteran. So people
17 from every kind of office in the Department of Labor
18 came together to listen to an SBA update and the
19 connections that just popped on, "Oh, you have that
20 data, that would be really helpful; yes, we think we
21 could share that; you have a program, I see the
22 connection," so a lot that we can do.

23 And I'm incredibly grateful the Department of
24 Labor hasn't left Small Business out when you consider
25 things that we want to participate in, like the HIRE

1 Vets Medallion, and recognizing employers regardless of
2 their size who have made it an important priority to
3 hire veterans, so thank you for that, Bill.

4 Finally, our last slide is looking ahead at
5 what we will have in June. National Veterans Small
6 Business Week, the planning and the theme development
7 is going on now. We will tie it closely to SBA's
8 National Small Business Week, which is April 29 to the
9 5th of May, so look for more on that.

10 We really want to encourage each agency to
11 highlight what you're doing with veterans, and
12 especially veteran small business, in November, so I'm
13 giving you plenty of warning and we'll come back with
14 some more ideas for you in June to firm that up.

15 For Boots to Business, it's a revolving
16 outcome survey. Once people have attended at the one-
17 year point, they get a survey and said what's happened
18 with you now, have you decided to go into business, and
19 more. So we -- although we get the results all the
20 time, we do try to report out on that every third
21 quarter, so I hope to have that completed and ready for
22 public release by our next meeting.

23 We're also doing a bottom-up review,
24 everything that we've learned in the past four years
25 about Boots to Business Reboot, which is the same

1 curriculum, on installation, we provide it to veterans
2 of all eras, are the things that we should be doing
3 differently. Is that population different than the
4 service member who's in the midst of transitioning?
5 Yes, we know that now, so what would we change? So
6 we'd like to provide you an update on that as well.

7 And finally, the Veterans Business Outreach
8 Centers will be up and running by the time we next meet
9 and so we will give you a summary of who they are,
10 where they are, and look for connections between your
11 agencies and our VBOCs where it makes sense.

12 And the last one, we -- VBOC 2.0. We have
13 been looking at how -- with such a lean resource, there
14 are only 20 right now, and there may be 22 after this
15 competition is done. How in the world are we going to
16 serve all the veterans of the United States who are
17 interested in self-employment? We need better tools,
18 we need ways to refer clients and stay connected to
19 them.

20 There are platforms that do this for us and
21 can do them, so we've been testing those over the last
22 year. We're looking for ways that others can join us
23 in that collaboration. So let's not go make, you know,
24 something super special that only SBA can touch, that
25 wouldn't be a good way to move forward.

1 So I really want your feedback on where we're
2 headed. This isn't like the cake will be finally
3 baked, it's just that we're further along and have
4 something to share and look forward to hearing how you
5 think you can collaborate with us more once we roll
6 this out.

7 That is all on the Office of Veterans Business
8 Development updates. I'm now going to turn it over to
9 my colleague, Natalie Duncan, who is here from the
10 National Ombudsman Office.

11 MS. DUNCAN: Thank you, Barb. And is this
12 working?

13 MS. CARSON: Push the face. The face.

14 MR. METHENY: This one.

15 MS. DUNCAN: Okay. Thank you. Thank you,
16 Barb, and thank you Deputy Administrator for inviting
17 me to join you today. And good afternoon everyone,
18 it's a privilege to be with all of you. Veterans'
19 issues are near and dear to my heart as someone who has
20 married into an all-Navy family and has served six
21 years in the Department of the Army, including a tour
22 of duty working for the -- the CG of TRADOC where I had
23 an opportunity to work with Bill.

24 MR. METHENY: Um-hum.

25 MS. DUNCAN: So it's really great to be with

1 all of you. So in her visits across the country to
2 visit with 600-plus small businesses across, you know,
3 31 states, the SBA administrator has highlighted the
4 ways in which the large volume of federal, state, and
5 local regulations really create an untenable
6 environment for small businesses.

7 So she has met with many businesses that say,
8 look, we're not saying that we don't need regulations
9 to protect the -- the environment, workers, and the
10 American people, but rather it's the duplicative
11 compliance. And it's really about sheer volume, and
12 the complexity, and cost associated with regulatory
13 compliance, that's the real issue.

14 And so in my own travels across the country,
15 small business owners and lenders have voiced similar
16 concerns to me, and have provided me with specific
17 examples of how regulatory actions taken by federal
18 agencies have hurt them, and in some cases have even
19 driven them out of business.

20 So I'd like to just highlight for a few
21 moments the work of the National Ombudsman's Office and
22 how we assist small businesses, including veterans-
23 owned small business, and then I'd be happy to take any
24 questions that you may have either at the end or you
25 can feel free to break in so we can make it a more

1 interactive discussion.

2 Slide three, please. So National Ombudsman
3 really serves as a champion for small businesses
4 representing their interests before federal agencies
5 like yours in resolving regulatory disputes between the
6 two.

7 So the office was established 21 years ago by
8 the Small Business Regulatory Enforcement Fairness Act
9 of 1996 and is really charged with helping small
10 business when they encounter instances of excessive
11 unfair regulatory enforcement actions taken against
12 them, and by that, I mean excessive fines, penalties,
13 inspections, investigations, audits, and -- and that's
14 where we are able to be of help to small business,
15 including veteran small businesses. And as a practical
16 matter, even though this is not necessarily in our
17 original jurisdiction, we have accepted a number of
18 cases that involve, you know, federal contracting.

19 So oftentimes we do get cases from small
20 business veteran owners who have issues with, let's
21 say, resolving a contracting dispute with the VA or
22 components within DOD, and so we are there to be able
23 to intervene, for instance, in issues where it -- in
24 situations where they have performed work, but have not
25 been paid for their services, and -- and they haven't

1 -- the -- the hearings are crickets when they interface
2 with the CO and so it -- when it comes to things like,
3 you know, protest.

4 That's sort of like got a -- it's on a course
5 of its own and so -- and there is avenues of redress
6 that are sort of separate and so we don't really get
7 into those, but in the -- the example I gave you, those
8 are instances where we are of help to small businesses.

9 So as the deputy administrator mentioned, Nat
10 Miller was appointed as the national ombudsman back in
11 September and he also is dual-hatted as our regulatory
12 reform officer, that was established as part of the
13 executive order by the President back in February of
14 last year, and so he's got a legal background, prior
15 experience in -- in trade associations, and worked on
16 the hill, and so really does have a real understanding
17 of the regulator landscape.

18 Please turn to slide four. We fulfill our
19 mission to small business owners by learning about the
20 regulatory enforcement concerns through the -- the
21 outreach that we conduct in terms of hearings, and
22 roundtables, and on panel discussions, and other
23 opportunities where really our goal is to raise
24 awareness, because the only way we can help small
25 businesses is if they know about us. And so we work

1 pretty actively to get in front of small businesses, so
2 that they are aware of our value proposition.

3 And we solicit and respond to comments and
4 complaints and pay attention to systemic issues that
5 impact large groups of small businesses, or entire
6 industries, or geographic regions and raise those
7 issues that otherwise would fall through the cracks.
8 And they may not sort of be issues that raise to the
9 level of being on the front page of the Washington
10 Post, but they are very important to small businesses,
11 because to them it's about the bottom line.

12 And oftentimes those issues just don't sort of
13 make it, and so we kind of shine a spotlight on those
14 issues and bring them to attention, to the attention of
15 federal regulators as through -- as well as to Congress
16 through the publication of our annual report and in
17 less sort of formal means, because they do --
18 oftentimes members of Congress really do have a real
19 interest in making sure that issues that are inhibiting
20 small business growth are resolved.

21 And so many people have asked about, sort of
22 -- how many of you have heard about the SBA's Office of
23 Advocacy? So -- and so it's -- it's always a -- a --
24 kind of a -- a point of confusion that -- amongst even
25 people, sort of, in -- that are really in the know and

1 that. And we work very, very closely with them,
2 because we consider them our partners. And in terms of
3 how we kind of segment our responsibilities, they
4 really work on -- in a nutshell, sort of like on the
5 front end of regulations.

6 So as regulations are being shaped and they
7 are not yet on the books, but there is concerns that
8 small businesses have about the economic impacts and so
9 forth, it will go to the Office of Advocacy to raise
10 those concerns and to help shape the regulations. And
11 once they're in effect, we can help on the back end in
12 terms of working with them to address instances where
13 enforcement actions have been taken, like the examples
14 I gave you earlier.

15 So some of the -- the cases in terms of, you
16 know, last year that were most frequent were ones we
17 got from or pertaining to the Centers for Medicare and
18 Medicaid Services that were from small business durable
19 medical equipment providers. We -- we got contracting
20 issues, we got issues around, you know, OSHA and, you
21 know, wage an hour, as well as, you know, IRA type
22 issues. There's a whole spectrum, but those are some
23 of the more common in recent times.

24 And so we build -- I think in terms of what
25 we'd look to do as -- we'd -- we'd look to build

1 relationships and -- slide five, and breakdown barriers
2 between small businesses and the Federal Government,
3 and through our work we've achieved tangible results
4 for small businesses in terms of cost and time savings
5 in the form of whether it's reduced fines, or
6 penalties, or waivers, or reversals of decisions.

7 And I can't promise it in every instance we
8 are able to obtain a favorable outcome, but what we do
9 is look to champion this cause of small businesses and
10 ensure that the outcome is fair, and how we do that is
11 we get a, sort of, independent third-party higher-level
12 review of the enforcement actions that are taken
13 usually by an inspector or an investigator and do so in
14 a way where it's neutral and non-retaliatory for the
15 small business. Slide six, please. Any questions so
16 far?

17 (No response.)

18 MS. DUNCAN: So I'd like to just kind of
19 highlight very briefly a few regulatory levers that we
20 use to effectuate fair and favorable outcomes on behalf
21 of small business. Slide seven. So in terms of issue
22 resolution, we -- we have a formal process by which
23 small businesses can file complaints and comments with
24 our office.

25 Comments is sort of a euphemism, but -- and we

1 can -- and -- and they can do that through our website
2 or through other means, by paper, et cetera, and really
3 the whole notion behind it is we first want to get an
4 authorization from them to proceed in contacting the
5 federal agencies on their behalf and then also have an
6 opportunity for them to document the issues, because --
7 and I would be the first to admit that I am not an
8 encyclopedia on regulations, and so oftentimes these
9 issues are exquisitely complex, and they're -- and some
10 of them are very particularized to a particular small
11 business or industry.

12 And so -- so the best way to get agencies to,
13 you know, sort of get right to the heart of the issue
14 is if -- that the small businesses document it and so
15 that they can easily reference it, and understand what
16 is the issue, and what is the outcome that they're
17 looking for.

18 MS. LESLIE: Hey, Natalie?

19 MS. DUNCAN: Uh-huh?

20 MS. LESLIE: Question.

21 MS. DUNCAN: Sure.

22 MS. LESLIE: On the issue or on any of these
23 do you track them by socio-economic breakdown?

24 MS. DUNCAN: (No response.)

25 MS. LESLIE: So, in other words, would you

1 know veterans compared to other populations, are they
2 more, are they less, or --

3 MS. DUNCAN: So that's -- that's a very good
4 question. In fact, last year when I briefed the
5 advisory board there were members that asked a -- a
6 very similar question. So the -- with our current
7 case-management system we don't have the ability to do
8 that and so what we have done is -- I understand that
9 the -- the CIO is -- does not want individual FedRAMP
10 offices to come up with their own standalone case
11 management systems, because we're operating under the
12 -- one that's very, very legacy, put it that way.

13 MS. LESLIE: Okay.

14 MS. DUNCAN: And -- and so we put the need for
15 data reporting based on, sort of, segmentation of, you
16 know, veterans, women, or different groups in as a
17 requirement, as they're looking to procure a new
18 enterprise-wide case management system, but we
19 currently don't have the capability.

20 MS. LESLIE: Okay. Thank you.

21 MS. DUNCAN: The other thing that we're
22 looking to do is -- and -- and so this is to kind of
23 fulfill the administrator's challenge that every office
24 operates more effectively and efficiently, is that I am
25 getting -- working with the team to look at our comment

1 form in terms of how can we restructure it to make it
2 one.

3 I think from a reporting capability standpoint
4 we'd be able to -- to track, you know, how many are
5 disabled vets, vets, because on the front end -- you
6 know, if we build a system on the back end, we have to
7 ask for that information, and -- and so we're going to
8 redesign the form to -- to encompass that kind of a
9 tracking. So in terms of -- any other questions on our
10 comment process?

11 (No response.)

12 MS. DUNCAN: So what we do is we commit to
13 small businesses that within four business days of
14 receipt of a complete package we will acknowledge the
15 receipt and send off their issue to the federal agency.
16 And in each of your agencies we do have points of
17 contact either in the OSDBU office or in some cases
18 it's a regulator within, let's say, OGC, so it's
19 different depending on the agency and -- and that will
20 -- and we will request a review within 30 business
21 days. In cases where there's a more expedited need, we
22 will ask for a 10 or 15-day review and get back to them
23 shortly thereafter.

24 So next slide, please. By -- and so that's a
25 copy of our comment form as it currently stands. And

1 so, again, I think we want to keep it one page, because
2 we don't want to impose undue burdens on small
3 businesses when we ask them for too much information,
4 but we want to capture what we need and to get to the
5 essence.

6 Slide nine, please. So in terms of one thing
7 that we do -- one of the things that we do to hold
8 federal agencies accountable is we do in our annual
9 report to Congress and we -- we just had our last one
10 just published, we do a federal agencies' rating, so we
11 will rate them based on their compliance with the Small
12 Business Regulatory Enforcement Fairness Act based on
13 the quality and timeliness of their responses.

14 And we are also looking -- based on some
15 legislative proposals that are on the table, we're also
16 looking to take a hard look at the ratings' criteria
17 and see what we can do to make it more robust in terms
18 of additional criteria, and that's something that we
19 will socialize with the agencies when we bring them
20 together here for an interagency summit on the 23rd of
21 March.

22 And next slide, please. So in terms of, you
23 know, outreach, which I'd referenced earlier, we look
24 to hear from small businesses out in the field.
25 Across, and by statute, we -- we are required to go

1 across all of 10 regions of SBA's 10 regions to conduct
2 outreach and to -- to really kind of expand, I think,
3 our -- our impact across small businesses of different
4 industries, and across different geographies, and we
5 also do that through hosting of formal hearings to --
6 where small business and trade associations that
7 represent them have an opportunity to testify formally
8 about the issues and go on record before members of
9 Congress, congressional staff, as well as federal
10 agencies who send their representatives to the table to
11 learn about these issues.

12 And -- and so it's a way to -- it's a unique
13 platform really to raise the visibility of their issues
14 to people on the hill, because oftentimes with
15 regulatory issues it's not as if you can sort of press
16 a button and one day they're resolved, but rather it
17 takes the exertion of pressure from multiple
18 directions, and a real sort of a persistence, and
19 resiliency in order to get things to -- to happen.

20 And oftentimes there's a lot of, sort of,
21 external factors that are beyond one's control, any one
22 small business control, or any agency control in order
23 for the stars and moon to align and for change to
24 happen, so we really encourage small businesses to
25 continue to beat the drum to raise the visibility of

1 those issues and take a guerilla approach to, you know,
2 get their concerns voiced through every channel
3 possible.

4 Next slide, please. Please. So we also have
5 board members. Like the -- the boards that Barb has
6 for veterans, we also have regulatory fairness boards
7 where -- that -- that represent the concerns of small
8 businesses across industries and geographies and so
9 they help us to be sort of our eyes, and ears, and our
10 listening posts out in the field to bring those
11 concerns to our attention. Next slide, please.

12 MS. CARSON: Natalie, may --

13 MS. DUNCAN: Yes?

14 MS. CARSON: -- I ask you to possibly then
15 talk about eligibility and how you find --

16 MS. DUNCAN: Sure.

17 MS. CARSON: -- those members of those boards?

18 MS. DUNCAN: Absolutely. And so, yeah, I
19 wanted to relay it at the -- at the very end, but I'll
20 do it right now.

21 MS. CARSON: Oh, sorry.

22 MS. DUNCAN: Is to -- no, no, this is good.
23 Is to -- to make and ask of those of you who -- you
24 know, if you know of small businesses, they -- they
25 need to be small business owners or operators, and we

1 -- we don't really have qualifications in terms of,
2 let's say, you know, education standards or anything
3 like that, but it's really what we look to do is build
4 a -- a board that is diverse in terms of industry, in
5 terms of thought, in terms of geographies, and really
6 are representatives of small businesses just across
7 kind of different domains, and so -- and if there -- if
8 there are people here who work with small businesses in
9 the veterans' communities who have interest, please let
10 me know and I will certainly follow up with them.

11 So that's a picture of our board where the
12 deputy came and, you know, spoke with our board last
13 time in August.

14 MS. LESLIE: And that was one of my -- in
15 fact, that was my --

16 MS. DUNCAN: Your first.

17 MS. LESLIE: -- very first engagement.

18 MS. DUNCAN: Your first engagement. Official
19 engagement at SBA.

20 MS. LESLIE: Um-hum.

21 MS. DUNCAN: So and the people we look for
22 really are --

23 MS. LESLIE: Right.

24 MS. DUNCAN: -- people who, I think, have a
25 real interest, and passion, and knowledge about

1 regulatory issues and they have networks, professional
2 networks, sort of, across -- meaning people who kind of
3 are civically engaged and really, I think, have their
4 ears to the grounds in terms of understanding what are
5 the -- the issues impacting their industry or impacting
6 those in, let's say, you know, the Pittsburgh area, and
7 so -- but beyond that it's people who -- who do -- can
8 connect the dots.

9 So if there are issues that may be in their
10 region in particular, but -- but may have sort of a
11 national impact, they can work sort of across
12 boundaries with other board members to get those
13 resolved then with us, so they're a great conduit and a
14 great resource for us.

15 So -- so I think, you know, I'm running short
16 on time, so I don't really want to go into, you know,
17 all the slides, but I will just very, very quickly
18 mention that working with federal agencies is really
19 key, because they, first of all, have helped us with
20 identifying and expanding our reach to a greater number
21 of small businesses by inviting us to their outreach
22 events.

23 And also I've worked along with Nate to
24 breakdown barriers and build trust with federal
25 agencies to sort of grease the wheels, so that we could

1 get complex issues resolved on behalf of small
2 businesses.

3 And then, you know, next slide, it's just in
4 terms of our -- FY-'17 sort of looking back, I think
5 some of our greatest accomplishments include -- just in
6 terms of the -- the volume of outreach that we've done,
7 you really do need to generate that level of activity
8 in order to be able to generate more awareness that
9 leads to people to file complaints with us.

10 And last year we had the highest in the decade
11 in terms of complaints filed against regulators and so
12 we had volume of, you know, 460, and I think a lot of
13 it, even though it's not directly -- there's no -- not
14 a causation relation, but there's a correlation as a --
15 I think the more we raise awareness and we're out
16 there, the more we are able to get people to come to us
17 seeking our assistance.

18 And this year, you know, next slide, we're
19 continuing to do more of that and leveraging also, you
20 know, technology in -- oh, and this is what we did last
21 year, so next slide. In terms of this year, you know,
22 what we're doing is a lot of work in just using
23 technology to get to an even higher number of small
24 businesses across different industries. So through
25 webinars we've reached out to, you know, like customs

1 brokers, to -- to women entrepreneurs, to -- to just
2 all sort of different people, in addition to, sort of,
3 face-to-face contact, which will always be valuable.

4 And so in terms of what we plan to do, I think
5 what's important from -- for this group's, is -- is
6 that, you know, like, in terms of some of the things
7 that we talked about earlier, was the group raised to
8 my attention last year the -- in terms of, like,
9 understanding kind of how much of the help that we
10 provide is really directed at veterans or disabled
11 veterans, that's something that we'll be able to have
12 finer-tuned understanding once we revise our --
13 redesign our comment form as well as are able to get
14 this enterprise-wide system.

15 And also the other hot issue that I know Barb
16 has brought to -- to our attention, as well as board
17 members, and that pertain directly to veterans is DOD
18 has a -- a cybersecurity reporting requirement that was
19 made effective January 1st of 2018 and so small
20 businesses are really kind of scrambling to comply.

21 This is with -- it's called the NIST 800-171
22 and -- and so I think currently DOD does have some
23 resources available, in fact -- in fact they have a
24 whole website, but -- but from talking to a number of
25 small business owners, trade association leaders, I

1 think the sense is, you know, 170-page documents, it's
2 very dense, it's very hard for small business to, you
3 know, comprehend as to what -- what it means to them
4 and what actions they particularly need to take.

5 So to that end I'm working with Dr. Galvin's
6 office, and -- and with you, Kasey, and -- and Ted to
7 -- I think one is on the 15th of March where I'm doing
8 a -- it's sort of a virtual roundtable with NSBA, the
9 National Small Business Association, and I just got
10 confirmation from -- from them this morning.

11 I mentioned to them that I was meeting with
12 this group and that if there's people who are
13 interested they've extended an invite for you guys as
14 well as the veteran advocacy groups tomorrow to join in
15 that call where, I think, it -- Dr. Galvin's team will
16 have a -- a subject-matter expert to address those
17 concerns and then we will work with them to kind of put
18 something together to make it more user friendly for
19 small businesses to, you know, understand, these are
20 contractors, in terms of how they need to comply as
21 well as how their subcontractors are complying.

22 It really is an issue, because I've heard from
23 veterans' groups that, like, there's a -- a whole
24 cottage industry springing up of, like, people that are
25 charging, like, \$40,000 to -- you know, alleging to,

1 you know, help small businesses to comply, but it's --
2 I think we just need to work together to, you know,
3 come up with something that's, you know, easy to
4 understand so they need to know what they need to do.
5 So --

6 MS. BULLARD-MARSHALL: Hi, this is Maggie.

7 MS. DUNCAN: -- yes.

8 MS. BULLARD-MARSHALL: And I'm sorry, I'm not
9 able to access your slides and contact information, but
10 this is an issue very near and dear to my heart right
11 now and I would very much like to participate.

12 MS. DUNCAN: Sure.

13 MS. BULLARD-MARSHALL: Barbara, can I e-mail
14 you to share her contact info with me for that meeting
15 tomorrow or what's the best way here?

16 MS. CARSON: Absolutely. Please do and I'll
17 connect you with Natalie.

18 MS. BULLARD-MARSHALL: Okay.

19 MS. CARSON: Thanks.

20 MS. BULLARD-MARSHALL: Thank you.

21 MS. CARSON: Sure.

22 MS. DUNCAN: Thank you. So, in closing I just
23 want to say, you know, thank you again for your -- for
24 your time. And if you are aware of any small business
25 owners that have regulatory issue, please send them our

1 way. And if you know of people who may be interested
2 in serving as a board member, please let us know as
3 well. And our contact information is on this last
4 slide, slide 18.

5 Any questions or -- I'm -- I'm glad to hear
6 that that's -- that, you know, issue is something that
7 we're -- it's -- it's something that is important to
8 you and -- and we will work with DOD in a way to
9 address it.

10 MS. CARSON: Thank you. And for those who are
11 on the phone, the email address is ombudsman@sba.gov.
12 Maggie, you're so welcome to contact me, but that is a
13 way to get in touch with Natalie and her team right
14 away.

15 MS. BULLARD-MARSHALL: Perfect. Thank you.
16 Just -- just related to that, GSA is in the process of
17 issuing regulation following DOD's cybersecurity
18 requirements, so it's going to impact a whole lot more
19 contractors than just DOD.

20 MS. LESLIE: Have we looked at what the cost
21 of the contractors is to implement that, because I
22 remember years ago when we started, when this first
23 came about, this legislation -- legislation with the
24 regulation, it was severely limiting competition,
25 because particularly small businesses could not --

1 MS. DUNCAN: Um-hum.

2 MS. LESLIE: -- get the -- they didn't have
3 the funding to implement the restrictions and it was
4 just so costly it was driving them out of business.

5 MS. DUNCAN: So, Kasey, do you have any
6 insight into that?

7 MS. DIAZ: (No response.)

8 MS. DUNCAN: Like, have you guys done any kind
9 of economic impact studies or --

10 MS. DIAZ: I don't have that information.

11 MS. DUNCAN: Okay.

12 MS. DIAZ: I would have -- definitely can take
13 it back to the subject-matter expert and get some
14 information.

15 MS. BULLARD-MARSHALL: I can share personally,
16 but I don't know the study.

17 MR. DODDS: It's usually at the beginning of
18 the rule you have to do regulatory flexibility kind of
19 analysis and things like that, so I suspect that it was
20 done, but we -- we could take a look --

21 MS. DUNCAN: Well, actually --

22 MR. DODDS: -- at the rule itself.

23 MS. DUNCAN: -- I'm sorry. I'm sorry. So
24 actually what Ted mentioned to me sort of on the back
25 end is that the -- the -- it's actually written into

1 the contract. So if you don't comply, it's considered
2 a breach of contract, but that there's no cost in terms
3 of the penalty. So I know you're asking sort of a
4 broader question --

5 MS. LESLIE: Okay. So it's in --

6 MS. DUNCAN: -- which I --

7 MS. LESLIE: -- the contract --

8 MS. DUNCAN: -- don't have --

9 MS. LESLIE: -- with the --

10 MS. DUNCAN: -- the answer to.

11 MS. LESLIE: -- idea that they're going to
12 become compliant. If they're not compliant, because
13 they can't afford it, then they get terminated. So --

14 MS. DUNCAN: That's my --

15 MS. LESLIE: -- I mean, it --

16 MS. DUNCAN: -- understanding --

17 MS. LESLIE: -- it doesn't --

18 MS. DUNCAN: -- based on --

19 MS. LESLIE: -- sound like --

20 MS. DUNCAN: -- what --

21 MS. LESLIE: -- a bad deal.

22 MS. DUNCAN: -- what Ted -- from Kasey and Dr.
23 Galvin's team mentioned, so is that your understanding?

24 MS. DIAZ: My understanding also is that they
25 can come up with a plan for how to comply, and so I

1 guess they put a timeline together and they -- they
2 work towards that. So it's not like if you don't have
3 it right away it's a penalty of you lose your contract,
4 but it's -- you identify the areas that you still are
5 working on and then you work towards complying.

6 MS. BULLARD-MARSHALL: So just so you guys
7 know as perspective, Microsoft is not supporting small
8 businesses with the cybersecurity compliance, so we had
9 -- Office 365, for example, is a very common platform
10 that small businesses operate on and that is not
11 FedRAMP certified. So we can't afford to have a 5,000-
12 user license Microsoft account to be on the Microsoft
13 FedRAMP platform, so we had to move everything off
14 Microsoft and host it ourselves just to kind of connect
15 what we're talking about here. It's significant, and
16 that's where --

17 MS. DUNCAN: And thank --

18 MS. BULLARD-MARSHALL: -- I'm going --

19 MS. DUNCAN: -- you for --

20 MS. BULLARD-MARSHALL: -- to talk to you now
21 again, participate on that committee.

22 MS. DUNCAN: -- thank you for -- for that
23 input and so I -- I think I'm confident that -- that,
24 yeah, your office really does have some good material
25 that's just, I think, at this point a lot of people

1 don't know about it and so what they're doing, based on
2 what I'm hearing too, is that they're kind of filling
3 in the gaps and they ask more and more questions.

4 So -- so, for instance, this -- this deal
5 about the action plan, sort of the next question on
6 their mind was, well, what happens in that gap year
7 from the time you -- you start working on it to the
8 time you complete it, are you going to get penalized,
9 so -- so just a lot of the unknowns is kind of causing
10 them to -- anxiety, to have anxiety.

11 And so I think what we want to do is really
12 kind of address the questions less from a compliance
13 perspective, but more from the standpoint of addressing
14 sort of the -- the anxieties of the small business by
15 sort of -- you know, sort of allaying the fear that,
16 well, maybe within this year it's -- it's not like
17 they're going to be handcuffed or -- you know, so that
18 kind of thing.

19 MR. BLUM: Can I -- can I just ask real quick,
20 to -- obviously, this is one area of great interest --

21 MS. DUNCAN: Um-hum.

22 MR. BLUM: -- to small business. In your --
23 in your analysis of the 460 cases --

24 MS. DUNCAN: Um-hum.

25 MR. BLUM: -- does your report break out,

1 like, areas where the complaints are coming from?

2 MS. DUNCAN: (No response.)

3 MR. BLUM: So, like, do you --

4 MS. DUNCAN: Yes.

5 MR. BLUM: -- know what percentage of them
6 involve government contracts?

7 MS. DUNCAN: We -- we do. So, meaning we do
8 break it out, so our systems are not great, but we will
9 -- but what we do is -- like, our case managers
10 actually have to, you know, manually tabulate.

11 MR. BLUM: The -- the --

12 MS. DUNCAN: So in terms of -- so in terms of,
13 like -- what were you going to say?

14 MR. BLUM: The -- the reason I was asking is
15 over the last several years we have tried to improve
16 tools that we use to get vendor feedback. We have the
17 initiative called Acquisition 360, which is --

18 MS. DUNCAN: Um-hum.

19 MR. BLUM: -- basically an online survey tool
20 that --

21 MS. DUNCAN: Um-hum.

22 MR. BLUM: -- we encourage agencies to use.
23 So if they complete an acquisition, vendors --
24 unsuccessful vendors, those that bid and lost, those
25 that didn't even bid. Even a winning vendor can get --

1 you know, provide feedback on their experiences with --
2 with the acquisition. So if this is another source of
3 information, I think we would be interested to, you
4 know, figure out where we can inform our own policy
5 improvements.

6 MS. DUNCAN: Yes, we -- we can certainly look
7 into that. So, for instance, in FY-'16 we had -- this
8 is before my time, but we had 316 cases of which there
9 was, you know, 190 of them were non-enforcement. So --
10 so the contracting ones would be a subset within a one-
11 year aim.

12 MR. BLUM: Okay.

13 MS. CARSON: Are there any other questions for
14 Natalie?

15 (No response.)

16 MS. CARSON: Natalie, thanks for your time.

17 MS. DUNCAN: Thank you.

18 MS. CARSON: And, Maggie, thanks, we
19 appreciate your -- what is your experience and hope
20 that you'll share details with the Ombudsman's Office.
21 And, Matthew, I do want to make sure when we have
22 resources that are available, like Acquisition 360,
23 that it's a reminder to us that we can share that
24 information. Many of us have channels and we should
25 use those.

1 MR. BLUM: Okay.

2 MS. CARSON: And so I will look to you for
3 information on that so we can share through our
4 networks. And then also the Department of Defense and
5 your resources, especially following your meeting,
6 anything that we can get out to the community so that
7 they don't believe -- we've seen it at FDA where people
8 have believed as business owners they needed to pay
9 someone to help them get certification, that is really
10 not the case. I think we're just running into that
11 potentially here and there's a lot we can do to help
12 business owners.

13 So our next speaker today is my colleague, Ken
14 Dodds, from the Office of Government Contracting and
15 Business Development, welcome.

16 MS. LESLIE: And, Ken, as much as I would love
17 to sit through this, unfortunately I'm pressed for
18 time, so I'm --

19 MR. DODDS: Sure. Sure, I understand.

20 MS. LESLIE: -- thank you.

21 MR. DODDS: I'm not going to just sort of go
22 over the slides that were provided to you today, we're
23 going to go over them tomorrow at the advisory group.
24 Actually, Chris -- Chris Clarke is going to go over --
25 over them from the Office of General Counsel, but I

1 will update you on some of the other rules, and
2 regulations, and laws that have to do with small
3 business since the last time we spoke.

4 But the -- the slides and the rule have been
5 provided to you and they are ventures to service-
6 disabled veteran-owned small businesses, because by law
7 we have to work with the VA to come up with a joint
8 ownership and control definition for service-disabled
9 veteran-owned small businesses, and so we work with the
10 VA. And we finally published a rule at the end of
11 January to get comments on what it means to be owned
12 and controlled by a service-disabled veteran-owned
13 veteran, and that -- those rules are open for public
14 comment until March 30th.

15 And so once -- once the comment period closes,
16 we will analyze those comments, work with the VA again
17 to draft a final rule, and the aim for all of us is to
18 have the rule be effective October 1 of 2018. That
19 means we would have to publish a -- a final rule by the
20 end of August, because usually there's a 30-day
21 effective-day lag between the time a rule is finalized
22 and the time it becomes effective.

23 That would give companies, you know, basically
24 30 days to kind of review the final rule and come up
25 with, you know, any changes that they think are

1 necessary and the idea would be from that point
2 forward. October 1, 2018, that would be the rule that
3 we would use and that's the rule that the VA will use
4 to determine ownership and control.

5 And then as part of that, in connection with
6 that, the law also directs protests and appeals to go
7 to our office of hearings and appeals at SBA. And
8 protests, by that I mean protests with respect to VA
9 procurements or appeals of a denial from CVE, so that
10 also is a rule that was proposed. We're working on
11 finalizing that and we're going to have that be
12 effective also October 1. So all those rules will be
13 effective, including changes that the VA needs to make
14 to their rules with respect to ownership and control.

15 So I -- I think we're going to go over the --
16 the ownership and control specifics tomorrow more,
17 because I'm not sure that's necessarily of interest to
18 the interagency council, but I will update you, if I
19 can, on a couple, five or so, open FAR5 cases that have
20 to do with small business, some investigative rules
21 that are coming, and then some legislation that
22 recently came out.

23 So for us there's one rule over there that has
24 to do with similar or similarly-situated entities and
25 the limitations. Also contracting, which allows firms

1 to -- to join together and perform the limitation on
2 subcontracting using subcontractors, instead of just
3 having the prime be able to do that.

4 Under -- this is from the NDAA of 2013. Under
5 current regulations though you can already rely on
6 subcontractors for SBVO set-asides and for homes on
7 set-asides, so this will make 8(a), women-owned small
8 business, very similar to that.

9 Secondly, there's a rule over -- open to
10 conform the FAR joint venture rules to SBA's joint
11 venture rules. We changed our rules in 2016 to allow,
12 for example, the All Small Mentor-Protégé Program which
13 allows you to get a mentor that -- that could be even a
14 large business and you can joint venture and qualify
15 for any government contract that you qualify for as a
16 protégé, so extend -- basically extending the 8(a)
17 Mentor-Protégé program to the entire small business
18 community.

19 Those rules are effective and you can utilize
20 those now, we -- because we -- we follow those when we
21 make decisions on eligibility, but the FAR needs to
22 conform, so we have a case open to -- just so that the
23 FAR clauses mirror what our rules say.

24 There's -- there's a -- there's a case open on
25 multiple-award contracting that addresses things like

1 partial set-asides, reserves, and task order set-
2 asides, this is from the Jobs Act of 2010. SBA did a
3 final rule on 2013 and then the FAR proposed something
4 in 2016, so this is a -- the third kind of open small
5 business rule that we're working on right now.

6 Fourth, there is still a case open on how Part
7 19, which is the small business part, applies to
8 contracts performed outside of the United States.
9 Right now the language kind of is -- it's confusing to
10 some people the way it's written, that it kind of says
11 that it doesn't apply outside the U.S. except for
12 certain parts.

13 We've always maintained that agencies have the
14 discretion to use set-asides outside the United States
15 and, in fact, many agencies like USAID do, but some
16 folks are interpreting that language as saying they're
17 prohibited from doing set-asides outside the U.S., so
18 we're trying to get language that we can all agree on
19 to fix that particular confusion.

20 And then the fifth rule that's over at --
21 that's open right now, a FAR rule, is called lower-tier
22 subcontracting and that -- that applies to large
23 businesses and the idea is that they will -- once this
24 is finalized, they will have a -- a goal at the first
25 tier and a goal at lower tiers for small business

1 subcontracting.

2 Currently they get goals at the -- just the
3 first tier, which means the first level down, and they
4 report on that at the first level down. So the idea
5 will be as there are subcontracting plants below that,
6 that there will be reporting and goals as well. Any
7 question on those FAR rules before I move on to some
8 SBA things?

9 (No response.)

10 MR. DODDS: Okay. Four SBA rules that you
11 should be aware of and looking for, there's one over at
12 OMB right now for interagency review that's a proposed
13 rule, it addresses a lot of things. Two of the things
14 it addresses is there -- there may be a need for some
15 adjustments to the limitations on subcontracting for
16 certain industries where the 50-percent requirement may
17 not work.

18 Under the NDAA it said that 50 percent of the
19 amount paid on the contract must be retained by the
20 small business on a service contract basically, and
21 certain industries that may not work, and so we may
22 hopefully propose a rule to get comment on whether we
23 need to make some adjustments.

24 It also addresses the issue of set-asides
25 under set-aside contracts. When SBA finalized a rule

1 back in 2013, we talked about in the preamble that we
2 didn't think you should be able to do a set-aside under
3 a set-aside. If it was set aside for 8(a), for
4 example, all 8(a) firms under that should be able to
5 compete. You should not be able to further set aside
6 for HUBZone firms that are also on that contract, so
7 that was something we kind of talked about in the
8 preamble.

9 A lot of agencies are doing -- allow set-
10 asides under current contracts, even, you know, older
11 set-asides under set-aside contracts, so we've agreed
12 to hopefully propose a rule to get comment on whether
13 we should allow that. So that's at OMB, I think, for
14 interagency review.

15 There's two other rules that we're going to
16 put into clearance right now, one involves the women-
17 owned certification program. The NDAA of 2015
18 basically has told us to set up a certification program
19 either by SBA using third-party certifiers, state
20 agencies, or other entities and so we have to -- we did
21 an advanced notice of proposed rulemaking, but we have
22 to do a proposed rule now to get public comment on --
23 on what that's going to look like.

24 And then we hope to also propose a rule on the
25 HUBZone program to make the HUBZone program a little

1 easier to comply with, because it's the one program
2 that we've had the most difficulty meeting our goals
3 and it's probably the most difficult program that we
4 have to comply with. So we'd like to -- we'd like to
5 propose some ideas around how we define employees and
6 -- and how we determine eligibility, so hopefully that
7 will be published this fiscal year as well.

8 All right. So I want to just bring your
9 attention to a couple changes. The NDAA of 2018 I
10 think came out after the last time we met, so just a
11 couple small business provisions in there that you
12 should be aware of. One is the e-commerce portal,
13 which is a -- the idea is that you'll be able to buy
14 online commercial items under the simplified
15 acquisition threshold and in an easy kind of quick way,
16 the way we buy things at home.

17 They did mention small business in it. They
18 did say that if you procure a product through this
19 portal from a small business it will count towards your
20 small business goals and it also says that nothing in
21 this section shall be construed as limiting the
22 authority of a department or agency to restrict
23 competition to small business concerns. OMB and GSA
24 are -- are going to be the ones that are kind of
25 leading this phase-in effort, but, you know, it's

1 something to be aware of if you -- if you sell
2 commercial items to the Government.

3 You probably already heard this, but the
4 simplified acquisition threshold was increased by the
5 NDAA to \$250,000, micro purchase was increased to
6 \$10,000. And these terms were also inserted to the
7 Small Business Reserve section, 15(j), so now anything
8 below -- at or below \$250,000 is a reserve for small
9 business unless you can't find two or more that can
10 perform.

11 And then a couple other things to point out,
12 the -- the -- they address -- they tried to address
13 HUBZone in this legislation as well. One thing to
14 note, if you are interested in HUBZone, is -- one of
15 the problems is that we get economic data maybe every
16 year and so then the HUBZone, your status can change
17 from year to year. Not just for your business, but for
18 your employees, because you have to be located in a
19 HUBZone and 35 percent of your employees have to reside
20 in a HUBZone, so that -- that kind of constant change
21 is kind of disrupting.

22 So this legislation basically freezes the map
23 until sometime after 2020 and then from then on we're
24 only going to be looking at the data every five years,
25 so the -- the map will be updated every five years

1 instead of annually.

2 And then it also gives you that three-year
3 redesignation where even if you're -- where you are
4 isn't a HUBZone, you can still be considered a HUBZone
5 for three years after it's redesignated. So it's
6 almost like an eight-year stability, so that will help
7 companies hopefully invest and employ people from
8 HUBZones, and it -- it -- they also did allow -- they'd
9 allow state governors to petition SBA to create
10 HUBZones where the economic statistics don't -- don't
11 show that they should be a HUBZone.

12 And then the last thing I'll point out is in
13 January the -- the Section 809 Panel issued a report,
14 this is a report of government contracting experts
15 advising DOD on its acquisition policies. If you're
16 interested in that kind of thing, there is a whole
17 section, Section 6 is all about small business.

18 And their concern, and as you'll see in -- in
19 the report, is they -- it's so hard for the DOD to do
20 business with small businesses or small business to do
21 business with DOD that they're missing out on a lot of
22 great technology and things that they need to make them
23 the best that they can be; so, a lot of this -- a lot
24 of the recommendations are about ways to get to small
25 businesses.

1 Not just small business that they're --
2 they're historically doing business with for
3 maintenance, and operations, and things like that, but
4 for cutting-edge businesses that just don't take the
5 time to do business with the Government because of all
6 the complexities. So there's a lot of recommendations
7 about outreach, and communication, and so forth,
8 enhancements to SBIR, and other kind of technology,
9 ways that DOD can buy technology from -- from small
10 businesses.

11 And then the -- the last kind of interesting
12 recommendation that they made is that they -- they said
13 that -- they recommended that if a firm outgrows its
14 size standard, that it should consider -- still be
15 considered small for three years after that. So right
16 now, you know, if you're awarded a contract and you
17 outgrow your size standard, you're kind of -- we still
18 consider that contract to be small, but for -- for up
19 to five years, but we don't allow you to bid further
20 once you've outgrown your size standard. So under this
21 they would be allowed to bid for up to three years
22 afterwards and, you know, unless the firm was acquired
23 by another business.

24 So these are just recommendations from this
25 panel. We don't know whether Congress will implement

1 any or all of it, but it's -- it is interesting. If
2 you're interested in doing business with DOD, these are
3 the recommendations of experts on how DOD should buy
4 from small business. And I think -- I think that's all
5 I need to update you on, are there any questions from
6 what I've gone over already?

7 MR. LEGHORN: Yeah, Ken, I have a quick
8 question for you. Going back to where you were talking
9 about with the -- the part nine and I believe the
10 overseas contingency funding, do you know if
11 legislative action has been taken on that, like what --
12 where is it, is it a rulemaking thing now or --

13 MR. DODDS: Okay. It's -- this is a rule to
14 kind of address government-wide.

15 MR. LEGHORN: -- um-hum.

16 MR. DODDS: But there was legislation recently
17 that basically said for DOD there are certain contracts
18 that are going to be excluded from the goals and
19 certain contracts that the PCRs will not be reviewing,
20 it's contingency operations, I believe, status of force
21 agreements, Arms-Export Control Act, and I think
22 awarded and performed outside of the U.S.

23 So there's still lots of -- you know, billions
24 of dollars in contracts that will still be covered, but
25 there -- that does exclude billions of contracts --

1 dollars of contracts for DOD only. The -- the rest of
2 this FAR case, that will apply to State, and USAID, and
3 the other agencies that do business outside the U.S.,
4 so -- and it's -- it's just a FAR rule and it will be
5 proposed if it goes out for public comment.

6 MR. LEGHORN: Okay.

7 MR. DODDS: All right.

8 MR. LEGHORN: Thanks.

9 MR. DODDS: Yep.

10 MS. CARSON: Any other questions for Ken?

11 MS. BULLARD-MARSHALL: I had -- Ken, this is
12 Maggie.

13 MR. DODDS: Hello.

14 MS. BULLARD-MARSHALL: I just wanted to go
15 back to the e-commerce portal provider, that seems to
16 be on the fast track and I was just wondering if you or
17 anyone else from SBA was actively engaged in partnering
18 with GSA and OMB on that, especially with their
19 recommendations coming out later this month regarding
20 which statute they have to comply with and which they
21 don't?

22 MR. DODDS: Yes, we -- we definitely are --
23 been -- have been talking about GSA and OMB, we have
24 the pleasure of talking to OMB every two weeks. We
25 have a weekly -- biweekly call to talk about issues

1 like that, so, yes, we will -- we will be involved in
2 that.

3 MS. BULLARD-MARSHALL: Good, because they're
4 already having industry days, and listening sessions,
5 and it didn't -- I didn't see anyone there yet, so glad
6 you're -- glad you're onboard.

7 MR. DODDS: We're aware of it, yes. Thank
8 you.

9 MS. BULLARD-MARSHALL: Good.

10 MR. BLUM: Hi, this is -- this is Matthew
11 Blum, I'm from OMB OFPP and we have been working with
12 GSA on the implementation plan. And just for context,
13 the -- the statute, NDAA requires that OMB and GSA
14 develop a multi-phased implementation plan recognizing
15 this is complicated, and it's intended to be
16 transformative, and -- and it will require a lot of --
17 there's a lot of stakeholder interest, and there needs
18 to be a lot of stakeholder outreach.

19 So the first phase of the plan is due to
20 Congress within 90 days of when the law was enacted,
21 which would be next week.

22 MS. BULLARD-MARSHALL: Um-hum.

23 MR. BLUM: And -- but that's -- that's just
24 phase one. And as -- as -- as you just mentioned a
25 moment ago, the last specifically does anticipate that

1 there be some discussion of what laws might impose
2 barriers to full implementation of the ability of the
3 Government and for that matter of contractors to be
4 able to engage with the Government through these
5 commercial e-commerce portals in a much more user-
6 friendly, efficient manner, so it is a two-way street.
7 It's not just what makes it easier for the Government,
8 but also what's going to make it easier for third-party
9 sellers.

10 And you may recall that Congress also had a
11 great deal of interest in trying to make sure that --
12 to the extent this is occurring through commercial
13 platforms, that the agreements that are ultimately
14 entered into by the Government with those platforms
15 don't have a lot of added government-unique
16 requirements that made doing business with the
17 Government very different than to third parties,
18 including small business, than it would be when they're
19 just selling in -- in the commercial market.

20 So there was an outreach session in -- on, I
21 think, January the 9th that had a -- a good robust
22 conversation of business rules, compliance rules, the
23 different ways in which in a commercial market there
24 are different types of platform models.

25 You know, think, for example, the -- the

1 marketplace that Amazon, as one example, conducts where
2 you have a platform where they sell some of their own
3 products, but they also allow for third parties to sell
4 through their platform. We had a representative from
5 then Staples as a -- as a different model where they
6 essentially sell their own proprietary products, so
7 they built a platform for their own purposes.

8 And then thirdly, I think about kind of an e-
9 procurement marketplace where you have sellers of
10 technology that -- that don't manage platforms, but
11 sell the technology that would allow for the Government
12 to be able to cull aggregate, if you will, information
13 from -- from different platforms, think, like, Kayak
14 and Trivago.

15 So there's a lot to think about, because
16 there's so many models and -- and, you know, technology
17 is clearly disruptive in this space. So with all of
18 that in mind, I think that you will see that the --
19 that the report that comes out where the first phase of
20 the implementation plan is, I think fair to say, going
21 to be relatively high level and it's going to
22 anticipate much more market research and outreach with
23 -- with small business and other, you know, interested
24 stakeholders.

25 So this is just really the beginning of a --

1 of -- of a -- of a conversation, it's -- it's by no
2 means going to be an end result. And -- and we, you
3 know, definitely appreciate the opportunity for small
4 businesses that, you know, are heavy players in the --
5 in the COTS market and want to make sure that, you
6 know, their interests are, you know, and their equities
7 are understood and that we are taking full advantage of
8 -- of their -- of their services.

9 And also recognizing, as a last point, that
10 there are a lot of companies, small businesses that
11 have invested in the federal marketplace already and
12 are selling, you know, their products through existing
13 government platforms, so, you know, there needs to be a
14 lot of thought and -- and consideration given as we
15 move forward as to how we make sure that those equities
16 are also being considered.

17 MS. CARSON: Thank you. That's really
18 helpful, Matthew. Thank you, Ken.

19 MR. DODDS: All right.

20 MS. CARSON: Once again --

21 MR. DODDS: Thank you.

22 MS. CARSON: -- for contributing. Is there a
23 question on the phone?

24 (No response.)

25 MS. CARSON: Please identify yourself.

1 (No response.)

2 MS. CARSON: No?

3 MR. ROCKEFELLER: I -- I think -- this is Mark
4 and I think you heard me. I'm trying to figure out how
5 to mute my speaker.

6 MS. CARSON: Okay. We will allow you to
7 continue, Mark, welcome.

8 MR. ROCKEFELLER: Thank you.

9 MS. CARSON: I'm going to introduce my
10 colleague, Derrick Brown, from the All Small Mentor-
11 Protégé program. We have had a couple updates in their
12 first year of operating. I'm looking forward to
13 hearing what you have to tell us today, I'll turn it
14 over to you.

15 MR. BROWN: Thank you and good evening. I
16 just have a -- a brief update from the All Small
17 Mentor-Protégé program. My name's Derrick Brown. If
18 you could turn to slide two. All right. For our
19 updates we have 451 approved mentor protégé agreements
20 in our portfolio, an average of -- of turnaround for
21 certification, an average of 10-days turnaround on
22 review and approval. We have a -- we have had 102 All
23 Small Mentor-Protégé applications declined and
24 typically they are soft declines where they can come
25 back.

1 We -- to -- to keep the average of 10-day --
2 an average of 10-day turnaround we have to make a
3 decision after we request the information. The
4 information -- if the information has not come -- has
5 not come in, then we make a decision to decline. And
6 then you can almost be sending a reconsideration that
7 same day if you wanted to, but we have to keep the
8 process going.

9 Lessons learned from a little over -- well,
10 almost a year and a half of lessons learned we're
11 continuing to work with federal agencies and
12 departments to increase awareness of our All Small
13 Mentor-Protégé Program and we're working to enhance the
14 program evaluation and annual evaluation process.
15 We're in the annual evaluation process now where firms
16 are starting to report back to us the one-year
17 relationships with the mentor protégé agreements.

18 Opportunities, we're working to advance and
19 enhance customer service or customer experience in our
20 protégé community of practice. We're developing
21 additional joint venture resources for firms, we should
22 have a -- a template up real soon and we're working on
23 facility security clearances for firms, that seems to
24 be an -- an issue for some of our firms.

25 The next slide. This is just the category

1 breakdown of the approved firms in our portfolio, which
2 you have 8(a) firms, small businesses, HUBZone firms,
3 veteran-owned businesses, service-disabled -- disabled
4 veteran-owned businesses, woman-owned small businesses,
5 and EDWOSBs.

6 If you look at the bar graph you'll see that
7 service-disabled veteran-owned businesses are leading
8 the category and that's been that way basically since
9 we started the program. So next -- next slide. Well,
10 that's my update, but the next slide. If you have any
11 questions you can ask me, I'm here, or you can reach
12 out to our mailbox at allsmallmpp@sba.gov. and we
13 usually reply back the same day.

14 MS. CARSON: I --

15 MR. BROWN: Any questions?

16 MS. CARSON: -- sorry, I jumped on it. Yeah,
17 I have a question for you.

18 MR. BROWN: All right.

19 MS. CARSON: Do you track the types of support
20 the protégés are seeking from mentors and the second
21 part of that question, in your one-year evaluations
22 what's the feedback you're getting from the protégés on
23 the -- that support and whether they've received?

24 MR. BROWN: First question, do we track --
25 what was the first one, do we track --

1 MS. CARSON: The types of support that the
2 protégés are seeking from --

3 MR. BROWN: -- yes.

4 MS. CARSON: -- the mentors?

5 MR. BROWN: That's -- we're -- we're now
6 starting to do that. We'll have more information, I'm
7 going to say, around June, because our annual
8 evaluations will tell us the type of support they're
9 receiving from the mentors and the kind of support.

10 I will say that to be -- when firms are going
11 forth, I would say they would need to really get to
12 know the mentor or the person they are going to become
13 involved with in this -- in this particular juncture,
14 because we have some firms where -- you know, and I --
15 and I had one this morning where a firm wanted to end
16 their relationship and you only have two -- you only
17 can have two mentor/protégé relationships right now for
18 the life of the firm, so I asked them to go back.

19 MS. CARSON: Um-hum.

20 MR. BROWN: They were friends, one has a
21 business. Well, the other one has a business, but one
22 business is more mature than his business, and they
23 wanted to go in to help one another, and it doesn't
24 seem to work. It's not working well right now, so I
25 asked them to go back.

1 Since they were friends, they could build some
2 type of relationship on that, talk over coffee, so --
3 because maybe they -- you know, they're bumping heads
4 and there could be something that they could discuss
5 and talk about, because I didn't really want him to end
6 this relationship, because he could probably gain
7 something for it, because it's for the betterment of
8 his firm.

9 And he asked me to hold up on the -- the --
10 well, in cancelling their relationship, and he was
11 going to sit down, and, you know, send an e-mail to
12 break the ice, and then sit down over coffee.

13 MS. CARSON: Okay.

14 MR. BROWN: Your next question was?

15 MS. CARSON: Do the evaluations -- I believe
16 you asked this question of the protégé, how was the
17 quality of support you requested, did you receive it,
18 and then what would SBA do with that?

19 MR. BROWN: Well, it's -- right now we -- it's
20 in the early -- early phase, because we're -- we're
21 finding that the people are really loving this program.
22 They really do love this program, they're finding it
23 out. I'm -- with a couple of firms that sent in their
24 evaluation form, because they have already reached that
25 year where they have to send it in, I'm finding that

1 they're saving money. One -- one person had to put in
2 a new system for their -- their business.

3 MS. CARSON: Um-hum.

4 MR. BROWN: That got done. Another firm had
5 to -- what was it? It's something about personnel,
6 human resource. They had to write human resource a
7 manual, that was done. It's -- it's -- basically I'm
8 seeing that a lot of firms are building themselves so
9 that they can become profitable and they can sustain
10 themselves for over the longevity of -- of whatever
11 their business is.

12 MS. CARSON: Um-hum.

13 MR. BROWN: But I have one firm that has to go
14 back and redo another MPA, because they reached the
15 goals that they set forth in that MPA within that one
16 year. So in that terms, you have to go back and have
17 them set other goals and then we'll -- we'll approve
18 them for that as well.

19 MS. CARSON: Thanks for the update.

20 MR. BROWN: Um-hum.

21 MS. CARSON: We'll look for more detail after
22 the one-year survey results come out.

23 MR. BROWN: Yes, ma'am. Thank you.

24 MS. CARSON: Any questions in the room for
25 Derrick?

1 MR. BLUM: Just say, from OMB's perspective, I
2 know you guys, Derrick and the team, came over to brief
3 us, and then you also briefed the chief acquisition
4 officer's counsel. And I do think there is enthusiasm,
5 you know, not only because this program helps small
6 businesses to be -- build capacity in addition to
7 capability, but also, you know, from a regulatory
8 simplification standpoint.

9 And no criticism to -- to SBA on their joint
10 venture roles, but I think everybody and they would
11 acknowledge that they're not the easiest to navigate,
12 and this program, it actually provides an avenue --

13 MS. CARSON: Um-hum.

14 MR. BLUM: -- you know, for -- for companies
15 to essentially get both the benefits and joint ventures
16 without having to navigate through that -- that
17 process. So I think there's -- that's -- that's an
18 important benefit to -- of this program, so we've been
19 tallying and we will continue to do so.

20 MS. CARSON: Okay. Thank you. Any other
21 questions or comments for Derrick?

22 (No response.)

23 MS. CARSON: Okay. Thank you so much for your
24 presentation.

25 MR. BROWN: Thank you.

1 MS. CARSON: We will now jump into our member
2 agency updates and we'll start with Bill Metheny,
3 Department of Labor, please.

4 MR. METHENY: Thanks, Barb. I think Barbara
5 Ashe said earlier a great quote, "If they're not
6 winning, it's not working," right?

7 MS. ASHE: Yes.

8 MR. METHENY: And so the way I'd like to rip
9 off of that is remind us of veteran unemployment
10 numbers for January, which came out at the end of
11 February, unemployment rates for veterans was 4.0
12 percent. A year ago it was 4.5. If you compare the --
13 those veterans at 4.0 to the non-veteran peers,
14 counterparts, 4.3 percent, so veterans are doing well
15 in employment.

16 The next round of numbers should be out this
17 Friday, so we will release -- the Bureau of Labor
18 Statistics will release the February unemployment
19 numbers, so I'd encourage you to watch for that.

20 Also in March the 22nd is when the Bureau of
21 Labor Statistics puts out their annual summary of all
22 the data from the previous year, it's called the 2017
23 Employment Situation of Veterans report. So 22 March
24 it comes out, and it will be posted, and you'll be able
25 to see all the data.

1 If you would like to get a reminder on any of
2 these or when the -- the monthly numbers come out,
3 you're welcome to subscribe to get those updates and
4 the easiest way is just jump to our website,
5 veterans.gov -- www.veterans.gov and they will give you
6 the option to be able to subscribe. And like a lot of
7 the other federal agencies, you can pick by themes of
8 what you want to receive so you don't get everything.

9 MS. CARSON: Um-hum.

10 MR. METHENY: Unless you want everything. So
11 good numbers on -- on that side for veterans
12 unemployment and we're excited about that, so they're
13 winning and it's working.

14 MS. ASHE: That's great.

15 MR. METHENY: Barb mentioned earlier the HIRE
16 Vets Medallion program, which came out in last years'
17 NDAA, to recognize employers who hire, train, retain
18 veterans, and it's an award program to get a medallion.
19 And there are two different levels for three different
20 sizes of business and that will kick off officially
21 this coming January, so 2019, but we're already in the
22 middle of checking everything out and doing a -- a
23 demonstration project with it and so we are trying out
24 all of our systems to make sure we are ready to go and
25 learn what we can from this model.

1 And so the idea was to open it up for 300
2 recipients of the -- of the award this go-around, so
3 the first 300 that can successfully complete their
4 applications will receive the award. It's not a
5 competition otherwise, it's just we have to limit it
6 for this year while we're checking things out.

7 So to let you know, 600 applications have
8 already been initiated, 208 have already been
9 completed. So 208 out of the 300, so we're encouraged
10 by the enthusiasm, we're encouraged by the quality of
11 what's coming in, and we're really excited when we get
12 to open up the -- the faucets all the way for this
13 coming year. So that will be something we want to
14 share with you over the course of the year as we learn
15 more about it and get the word out to a variety of
16 industries, regions, sizes, and so on.

17 Military spouses and women veterans. The
18 Department of Labor has a new director of our Women's
19 Bureau and she is passionate about women in
20 entrepreneurship and she's also interested in military
21 spouses, which is a big emphasis for our
22 administration, and so she is doing some great work in
23 helping us to think about how to make those all come
24 together and working with SBA's OVBD, Barb's team, to
25 -- to figure out how do we get the right resources to

1 the right types of either women entrepreneurs or
2 military spouse entrepreneurs.

3 And so we're thinking through what -- what are
4 the different types and so Barb talks us through things
5 like what if it's a new start, what if it wants -- is
6 ready to grow and expand in scale, what if it's a
7 legacy that's -- who do we hand off to, and maybe it's
8 a -- the legacy handoff is to a woman -- woman
9 entrepreneur veteran or spouse, so we're very excited
10 about that.

11 And we're also exploring continued ways to
12 remove barriers to employment through licensing and
13 credentialing problems that military spouses face as
14 they move around with their military member, so more to
15 follow as we learn about that.

16 And then the last part I would like to
17 highlight for today is, and Barb mentioned too, the
18 transition program for our transitioning service
19 members. There is lots of energy and interest in this.
20 One of the things that we're trying to do is move the
21 timeline earlier in the process so that people can --
22 that the transitioning service members can start it
23 earlier to have time to take advantage of some of the
24 opportunities that they learn about in the process. So
25 far there seems to be a lot of enthusiasm about doing

1 that.

2 We also are updating some of the elective
3 tracks. In addition to Boots to Business, there is a
4 career technical training track which traditionally has
5 been oriented towards the trades. We're expanding and
6 refreshing that, so it gets into a whole bunch of other
7 ways to enter the work world and -- and take advantage
8 of training through apprenticeships and other such
9 opportunities.

10 It's actually getting refreshed in its naming
11 to something we think is going to be called career
12 aspiration and planning track. So that's a work in
13 progress, but we think that the timing's right so that
14 the interagency work group that includes DOD, and VA,
15 and SBA, and Department of Labor, and Education, and
16 OPM. As they're working through their refreshing the
17 curriculum, and naming, and DOD's updating some of
18 their instructions, it's all coming together with great
19 congressional support it seems as well.

20 So we're excited about that, because the
21 feedback we're getting for the curriculum that we are
22 seeing is that veterans are saying it's helpful, it's
23 making a difference to have the time to think and get
24 great feedback on how they write the resumes, how they
25 think about themselves, and how they present themselves

1 in interviews.

2 And so one quick anecdote, I was approached by
3 an 11 Bravo Paratrooper from Fort Bragg, North Carolina
4 who went through the -- the course a week ago. He
5 called me one night and said, "Hey, can I give you some
6 feedback?" and he was excited about the experience he
7 was having through there. And this was one of the
8 people -- one of the types of military members that we
9 think, oh, they don't have these skills that are going
10 to be easily transferred to the civilian market and he
11 was so enthusiastic by what he had learned of all that
12 he does bring to the table.

13 He's heading off to school to get an economics
14 degree, he's finally going to get to live with his --
15 his wife, who is in medical school, and after he's been
16 on deployments. And the only thing that kept him from
17 taking the courses earlier, and he's taken -- signed up
18 for several of the electives, to include Boots to
19 Business and others, was the fact that deployments and
20 professional military education sometimes get in the
21 way of transitioning.

22 And so I wanted to share that with you,
23 because the -- the work that a lot of the interagency
24 partners are doing and have invested are paying off for
25 people like this young NCO, so thank you.

1 MS. CARSON: That is motivating. Thank you
2 really for sharing all of that. And there's a lot left
3 for us to do, but it's good to remember we have come a
4 long way. Thank you. We'll turn it over to Department
5 of Defense for an update.

6 MS. DIAZ: Just really brief I just wanted to
7 say that the DOD is going to be hosting a series of
8 workshops for small businesses just to inform small
9 businesses about our small business programs and one of
10 the topics is going to be on cybersecurity.

11 And so we did have our first workshop at
12 Howard University on the 28th of February, we had about
13 170 small businesses that attended, we had a six-member
14 panel on cybersecurity. So more to come on that, I
15 just wanted to share that.

16 And as Natalie mentioned earlier, we will be
17 collaborating to come out with some sort of fact sheet,
18 because it is like drinking from a fire hose when you
19 look at our website to see all the things in -- in
20 terms of personal businesses to comply, so we will
21 collaborate to come up with a one to two-page fact
22 sheet to help out with that.

23 MS. CARSON: Thank you. Will the workshops be
24 available virtually for call-in?

25 MS. DIAZ: Are we -- how are we doing that?

1 AUDIENCE: We're looking into doing that at
2 the moment.

3 MS. DIAZ: I -- I would imagine it's going to
4 be a combination of things, so right now we've been
5 just trying to find venues that will make it easy for
6 small businesses to attend. So some things, we'll look
7 into that.

8 MS. CARSON: Thank you. I appreciate that.
9 And we have had some success in doing joint workshops
10 or -- or --

11 MS. DIAZ: Um-hum.

12 MS. CARSON: -- webinars with other agencies,
13 Census was the most recent. So if there were an
14 opportunity that you were willing to host on with SBA,
15 we would be thrilled to join you in doing that.

16 MS. DIAZ: Absolutely.

17 MS. CARSON: Thank you. And there's a
18 question from a member of our advisory committee, Fran.

19 MS. PEREZ-WILHITE: Yes, I'm Fran with ACVB.
20 Your workshops, are any of them non-cybersecurity or is
21 that the only topic?

22 MS. DIAZ: No, that's not the only topic, but
23 I was just kind of highlighting that, since that was
24 something that was -- that came up.

25 MS. PEREZ-WILHITE: Um-hum.

1 MS. DIAZ: But our workshops cover all of our
2 small business programs that we have and any other
3 important information that we want to make sure that we
4 get out to the small business community.

5 MS. PEREZ-WILHITE: My team, in North
6 Carolina, we could help you out with venues if you want
7 to do some more workshops. It's all free, and you can
8 just show up, and teach, and we'll do everything else
9 for you.

10 MS. DIAZ: Great.

11 MS. PEREZ-WILHITE: Okay.

12 MS. DIAZ: Thank you.

13 MS. PEREZ-WILHITE: Thank you.

14 MS. CARSON: Thank you, Fran, that's
15 fantastic. Any other questions for Department of
16 Defense?

17 (No response.)

18 MS. CARSON: Okay. And I will give one shout
19 out to Air Force. Secretary of the Air Force did a
20 great presentation on something called the Air Force
21 WERX, W E R X, and all about getting to the small
22 business, and exactly the issues that were raised. We
23 feel sometimes it can't be agile enough to get to those
24 small businesses, so I really look forward to see what
25 she's doing as well. And so any other success stories

1 or if you want to engage, we're -- we're ready, we can

2 -- we --

3 MS. DIAZ: All right.

4 MS. CARSON: -- can do more.

5 MS. DIAZ: All right.

6 MS. CARSON: And, Barbara Ashe, please come on
7 up.

8 MS. ASHE: I just wanted to -- that's the
9 wrong one. I just wanted to let you know that we did a
10 webinar as part of our support for the Veteran Business
11 Outreach Center, so VBOC, on the NIST 800-171 in the
12 fall, and so there are resources out there on how to
13 become compliant.

14 And we did that before, obviously, the due
15 date of -- of January 1 and so you do have, via our
16 grant, a resource sitting out there for veteran-owned
17 and service-disabled veteran-owned small businesses
18 that want to participate on those procurement
19 opportunities.

20 And we do anticipate and we did advocate for
21 veterans that are looking beyond -- just beyond DOD,
22 because I did hear a sentiment here that other agencies
23 are looking to NIST's platform as a best practice. And
24 we do anticipate that that would happen and so we
25 encouraged others that even though DOD may not be a --

1 a targeted customer for your product or services, that
2 you get compliance sooner versus later --

3 MS. DIAZ: Um-hum.

4 MS. ASHE: -- as even just a differentiator in
5 the marketplace. So we do have a resource out there,
6 so -- and happy to share it. If you find it helpful,
7 it -- it does have, you know, some -- just a checklist
8 of things and happy to share it.

9 MS. DIAZ: Right.

10 MS. ASHE: If -- if you want to just take a
11 look at it.

12 MS. DIAZ: Thank you.

13 MS. ASHE: So I'll make sure we connect.
14 Thank you.

15 MS. CARSON: I never want to be labeled a
16 bureaucrat, because we are, but this makes me really
17 happy to see that there -- these meetings that do seem
18 awfully bureaucratic have reconnections that are
19 meaningful across the nation once we've come together
20 in the basement of the SBA.

21 Thanks to nonprofits and grantees, like VIP,
22 and then federal agencies that really are trying to do
23 the right thing, and Small Business absolutely
24 understands why we need to have security in our
25 information systems. It's just hard to come together

1 and find the best solutions and also to get the word
2 out, so I really am grateful for the contributions
3 you're making. Now we'll move to the Department of
4 Veteran Affairs.

5 MS. TORRES: Hi. We have a -- a few things
6 that we were updating. As -- as Ken had mentioned
7 earlier, we do have the updates to our regulation, the
8 verification regulation 38 CFR Part 74, and that covers
9 the ancillary part -- portions of the verification
10 program, everything except ownership and control, and
11 that was published as a proposed rule on January 10th.

12 And the comment period closes on Monday the --
13 the 12th of March, so if anybody has any more comments
14 -- we've actually only received 14 comments so far on
15 that. So we are also planning to have our final rule
16 published as -- as simultaneously as possible with --
17 with the SBA rules, so that will also go into effect on
18 October 1st. We've been working closely with -- with
19 Ken and his folks, and with Della Ford, and OHO on
20 getting the appeals processes together and -- and how
21 that's going to work.

22 We're going to have to -- we're finalizing up
23 an interagency agreement on that as well, so that those
24 will go -- it's -- it's actually three types of -- of
25 appeals, it's -- it's status protests on -- on SBD,

1 VOSB, and VOSB contracts; it's appeals to verification
2 decisions; and it's appeals to cancellation decisions.
3 So those will become effective once the other rules are
4 in effect, so that SBA isn't -- and -- and OHO isn't
5 having to look at two different sets of -- of
6 regulations when they're making their determinations.

7 Now, as far as what the deputy administrator
8 had just spoken about with the move -- the possible
9 move of -- of CVE to SBA, that is something that --
10 that is under high-level discussions. It would -- we
11 have formed a working group between SBA and VA and
12 we've been holding regular meetings. We've been
13 speaking on this weekly and monthly, full committee
14 meetings face-to-face. Our next one is actually this
15 Friday and we have been -- we should have a preliminary
16 report out on that on what it's going to take to -- to
17 create a -- a government-wide certification program for
18 SBD VOSBs.

19 Of course there are critical things that --
20 that have to be figured out, like a funding stream, for
21 example. I don't think anyone would expect the SBA to
22 take over a program like that without any source of
23 funding.

24 And then the final thing that we have is we've
25 had a couple of FOIA requests for the data that -- that

1 Tom Leney spoke about at the last meeting where there
2 are a number of firms, better-known firms, as SBD
3 VOSBs, that we had findings of ineligibility and
4 subsequently after that they had been given their
5 findings. And subsequently they had been awarded set-
6 aside contracts, so we're finalizing the data on that
7 and -- and that will be given out to the -- the
8 requesters of the FOIA. And it's possible that we may
9 be expecting further inquiries on that and that's it.

10 MS. CARSON: Thank you for all those updates,
11 I appreciate that. Any questions for Beth?

12 (No response.)

13 MS. CARSON: Okay. General Services
14 Administration, please.

15 MS. VAN ABSHER: Thank you. I just wanted to
16 echo what you said, Barbara, just the -- the exciting
17 passion about this, you know, with the small business
18 in -- in particular. Veterans is of great interest to
19 me and I know everyone in this room, so hearing about
20 VBOC and Boots to Business I definitely want to connect
21 with you and Bill, definitely, some great things on the
22 -- on the statistics for employment, very encouraging.

23 For our part we've -- we've currently met our
24 small business goals. Having said that, I just want to
25 highlight the service-disabled veteran small business

1 goals, we've more than doubled and we're not done yet.
2 It's -- it's early days, so we're -- we're continuing
3 to promote that. And now that we've met them, we want
4 to encourage everyone to -- we can support you in your
5 initiatives as well. So please reach out to us, we're
6 -- we're happy to connect on that.

7 Some of the things that are coming up for GSA,
8 Small Business Week, that was mentioned before. We
9 have a VETS 2 GWAC Delegation of Procurement Authority,
10 training for agency contracting officials in -- in how
11 to place orders.

12 The training's going to be provided by the
13 VETS 2 GWAC office, our -- Valerie Waldmeier's the POC
14 and I can provide information on that to send out. Lee
15 Tittle will be providing agency-specific training to
16 the Department of Energy and -- and I can, again,
17 provide that contact information.

18 Some other things going on, we have business
19 development and industry-training events that are going
20 to be scheduled in the month of May. I know that
21 Department of Energy has an expo in Houston, Texas May
22 22nd and 23rd. And for our part, in Fort Worth we have
23 -- the first week of May we're trying to schedule an
24 industry-specific veterans' event, so more to come on
25 that.

1 And then, of course, the VETS 18 Veteran
2 Business Training Symposium, which is June 10th through
3 the 14th in Williamsburg, Virginia. I know many of you
4 are -- are planning to attend, I will be attending as
5 well. And as soon as the agenda's available, we would
6 like to promote that as well. And that's it.

7 MS. CARSON: Great update and I appreciate
8 hearing what else is happening around the country and
9 with other agencies. We have many channels to get the
10 information out and we want to participate too. So we
11 still -- SBA has a strategic alliance memorandum with
12 the National Veterans Small Business Coalition, which
13 is the host of the VETS 18 in Williamsburg, it is an
14 opportunity primarily for those focused on veteran
15 procurement, veteran, and service-disabled veteran-
16 owned companies.

17 If your agencies want to participate in that,
18 I encourage it. It's where the rubber meets the road.
19 You will get some honest feedback about how we're doing
20 and also it's a chance to get the word out on what
21 we're doing as well, so I'm glad to know that GSA will
22 be participating as well. Thank you so much.

23 And we'll hear from business owners too about
24 their successes and failures. It's a really frank
25 conversation, so save some plans. Williamsburg is a

1 great place to spend a few days, especially with our
2 peers. We would move over to you, Matthew, for Office
3 of Management and Budget.

4 MR. BLUM: Thank you. I'm actually a William
5 and Mary graduate, thank you for the plug.

6 MS. CARSON: Williamsburg.

7 MR. BLUM: Near and dear to my heart. At the
8 -- at our last session I did a presentation on
9 increasing small business participation in common
10 contract solutions. I think as everybody knows, a very
11 significant amount of our annual spend is done through
12 products and services that are essentially common to
13 agencies.

14 I think it is roughly 60 percent, about 285
15 billion of spend, which is why there has been so much
16 attention on category management where we organize our
17 spending activities around the nature of the products
18 that we're buying, get subject matter experts, you
19 know, focused on these areas, and sharing information,
20 and practices, and identifying vehicles that have the
21 capacity to support multi-agency or government-wide
22 activity that are doing the best within their -- their
23 class of -- of -- of -- of peers.

24 All of that said, we know that for the small
25 business community when you're -- when you're having

1 discussions about buying through larger vehicles it --
2 it creates concern about how you reconcile that with --
3 with strong small business participation.

4 At the last session I -- I outlined a number
5 of steps that we're taking, both at the government-wide
6 and agency level, to ensure that there is full and
7 active understanding and participation of the OSDBUs
8 and Small Business directors in all of these
9 conversations. It is an ongoing project, but I believe
10 that we are making progress.

11 We are working towards guidance that will
12 clarify a -- a number of points that I think are very
13 important to this task force to sort of disabled
14 veteran-owned small business, veteran-owned small
15 business committee, and the other small business groups
16 as well.

17 And just to repeat them briefly, one is that
18 nothing that we are providing in guidance to facilitate
19 greater use of -- of common contract solutions in any
20 way changes an agency's obligations to meet its small
21 business goals. It's probably the most important
22 thing, because we know that OSDBU's small business
23 directors are ultimately evaluated, first and foremost,
24 on how well they are meeting those goals.

25 Related -- closely related to that is that

1 while we were very pleased by increasing participation
2 and representation of small businesses on these best-
3 in-class vehicles, the fact that a vehicle is best-in-
4 class doesn't mean that it's best-in-class in every
5 instance for every agency. And so what that means is
6 that we need to make sure that there is data provided
7 to our small business directors in OSDBU so that they
8 can do thoughtful analyses to figure out when a
9 migration to a, that makes sense, best-in-class
10 contract and when it doesn't.

11 And when it doesn't, means there's
12 circumstances where it may be better for the agency in
13 terms of value, in terms of relationships, in terms of
14 the expertise that small businesses offer, in terms of
15 just building the industrial base to that agency, many
16 reasons why there may be benefit to staying with the
17 agency level or even a local solution. So in order to
18 make all of this happen, you need to make sure that
19 there's a seat at the table for our -- our OSDBUs and
20 small business directors.

21 Happy to say that through the active
22 discussions with the Small Business Procurement
23 Advisory Council that Robb Wong chairs and through the
24 OSDBU Council that our own Tom Leney chairs we have
25 gotten the word out and all of our category managers

1 have invited OSDBUs to be active participants as they
2 are doing their strategizing both in formulating and
3 development of vehicles and also reviewing performance
4 on existing vehicles.

5 There was a -- a couple days ago there was a
6 government-wide category management industry event
7 where small businesses and actually other large
8 business that oftentimes have some of the same
9 questions got to think about what does best-in-class
10 mean to industry, you know, is there a perception or
11 misperception about mandatory usage, what sort of steps
12 can we take in this forthcoming guidance to make sure
13 that some of this misunderstanding is -- is clarified.

14 We have invited OSDBUs to comment on some of
15 the strategic plans that the category managers have
16 developed for the future. I know SBA and GCBD offered
17 some -- some comments a few days ago and I think the
18 OSDBU counsel has as well.

19 And we also wanted to make sure -- equally
20 important that this information, which is being
21 captured in a small business dashboard, will be
22 provided to the OSDBUs so that when each agency is
23 working through what its plan looks like for use of
24 best-in-class vehicles or -- or a mix of that and
25 agency and local solutions, that the OSDBUs are at the

1 table. And to be at the table again, they need to make
2 sure that they have information to -- to analyze what's
3 the impact and what's better for -- for my agency.

4 So I know we've been a little obnoxious about
5 it and I think it's important we continue to push
6 OSDBUs to -- to push back on us if the information and
7 these dashboards that we're creating is not what they
8 need. We need to know that, so that -- we understand
9 these are hard decision, but there's a lot of benefit
10 that can be gained, you know, through a best-in-class
11 vehicle and a government-wide solution, but there's
12 also a lot that can be gained at the agency on a local
13 level.

14 And I think by having these conversations we
15 can achieve the type of balance that I think everybody
16 knows, knew all along can be done, but we always --
17 haven't always had the bridges or the infrastructure to
18 make it happen. So I'm -- I'm looking at my other
19 agency partners that have been great and will continue
20 to be on this -- on this ongoing journey and we will be
21 happy to -- we will continue to do reporting, bring
22 people from the community, from the program management
23 office to the task force to answer questions.

24 And I think as part of the rollout of -- of
25 any guidance that we do, we will make sure we have some

1 one-pagers and other types of tools that can be easily
2 digested by small business contractors if they, you
3 know, understand what obligations we're putting on
4 agencies, and what's just myths, and also to similarly
5 convey that down as to the lowest levels of the agency,
6 because oftentimes we have -- we have good
7 understanding with senior procurement executives and we
8 mistakenly think that that means that translates into
9 perfect understanding at the contracting officer level.

10 And, frankly, if they don't understand it and
11 they misapply the policy, then the -- the good results
12 that we had don't get achieved. So I think I've
13 covered my other -- my other areas pretty well, so I'll
14 leave it at that, but, again, happy to -- any -- any
15 thoughts that people have as we move forward on this
16 welcome -- we welcome them.

17 MS. CARSON: Thank you, Matthew. Any
18 questions for Matthew?

19 (No response.)

20 MS. CARSON: We've just had a conversation in
21 SBA today. I swear, we should have bracelets made, but
22 the -- what would a contracting officer do is how we
23 were trying to think of things. Really the -- as you
24 said, the best intentions and policy, if it can't be
25 enacted or there are other pressures that prevent it

1 from being acted upon, we need to consider those other
2 options.

3 MR. BLUM: Actually, if I could make one
4 more comment just to that point. I think I've also
5 mentioned that we have a -- on the Acquisition
6 Gateway, which is what was stood up by GSA to provide
7 access to information, best practices, pricing
8 information/strategies, five different categories, and
9 also just things that are innovative. And I know I've
10 mentioned this before, we're very interested in -- in
11 having stories and practices specifically related to
12 small business participation.

13 So, for example, I guess within the last year
14 we stood up -- or actually SBA stood up a program, 8(a)
15 Digital Services. It was on a pilot basis, but
16 essentially would allow for agencies to more easily
17 access 8(a) contractors that -- that -- that -- that
18 were smart in -- in -- in agile software development to
19 get to a minimum viable product without having to use
20 that contractor necessarily forever, so that they get
21 experience and the agency doesn't resist using a
22 program because they're not sure up front if they're
23 ready to commit in the long term.

24 So we're also encouraging people to put these
25 best practices and success stories onto the -- to the

1 hub, but to your point, you know, at the end of the
2 day, we're also asking ourselves what is it that the
3 contracting officer needs and will get them to use this
4 program, what would make the program and the benefits
5 go viral?

6 I think oftentimes when we put out best
7 practices or success stories they make us at the policy
8 level, especially in headquarters, feel pretty good.

9 MS. CARSON: Um-hum.

10 MR. BLUM: But that doesn't always translate
11 to what a contracting officer that's deciding whether
12 to use the program actually can do so. So another
13 thing I think GSA is doing, but it's with -- at least
14 in partnership with OPM, is something called Open
15 Opportunities, which is essentially like a Craigslist
16 for finding capacity within another agency and it's a
17 way for you to offer help or to ask for help.

18 And we -- it's -- it's going to be -- if -- if
19 you will relaunch with a -- a focus on the acquisition
20 space, I believe by the summertime, and we can provide
21 more information in an upcoming meeting, but why we
22 think this is again so critically important, you know,
23 from a -- when we've talked to -- like, we have a
24 front-line forum of contracting officers.

25 You know, it's nice to see the success story,

1 but what's really nice is give me the name of a person
2 that's -- like a colleague of mine that was just
3 solving the same problem that I can go call and maybe
4 they can spend four hours one day sitting with me,
5 showing how to use a tool of a practice, and that will
6 apply to any sort of successful practice in a small
7 business space as well.

8 MS. CARSON: That's incredibly valuable, thank
9 you for sharing that. Did Department of Treasury join
10 us on the phone?

11 (No response.)

12 MS. CARSON: Okay. Then I will turn it to
13 American Legion for an update.

14 MR. LEGHORN: Okay.

15 MS. CARSON: If you have one.

16 MR. LEGHORN: Yes. Hi. Thank you for
17 inviting us to -- to this meeting today and thank you
18 for letting me back in the building.

19 MS. CARSON: He was in the private sector
20 briefly, it makes it sound like you were barred from
21 the room. So -- so we're glad that you have come back
22 to serve in the American Legion, thanks.

23 MR. LEGHORN: Um-hum.

24 MS. CARSON: Go ahead.

25 MR. LEGHORN: So as -- as you folks know, the

1 Legion hosts pretty much two super bowls for us every
2 year, that's once -- they're about six months apart,
3 once for our legislative conference, that just happened
4 last week, and once for our national convention that
5 travels around the -- the country.

6 We try to front load all of our programs and
7 services and highlight all our partnerships with the
8 agencies during that time to show all our state
9 leaderships that show up what's possible at the state
10 level, so everything I'm about to update you folks on
11 right now literally happened within the last two weeks.

12 So we had our first meeting of our newly-
13 established Employment Advisory Committee, VA, SBA, and
14 DOL were present, and we thank you guys for showing up
15 and for your input.

16 We also had the chance to host the Boots To
17 Business session with the -- the Northern Virginia VBOC
18 and Stan Kurtz, the new VBOC director, also had a
19 chance to come look at what we do and also speak at
20 that event.

21 We also tried doing something ourselves, which
22 I -- I know the deputy administrator had talked about
23 our advanced course, I'll go into that right now. When
24 veterans come to a Boots to Business session we realize
25 that a lot of them have been in business for a long

1 time already, so we wanted to give them an option of
2 doing something that was a little bit more advanced
3 than the current Boots to Business curriculum. So we
4 worked with Foresight CFO, Knights & Holland [sic], and
5 a few other companies in the private sector, we put
6 together a program that was focused on scaling and
7 actually counseling small businesses with local CFOs.

8 This -- this is our first time doing it, we're
9 still -- we're -- we don't know if we're going to stick
10 to it or not. I am interested in seeing how Emerging
11 Leaders works at the SBA. I mean, if that's something
12 that's already there, has a great branding, we might
13 not need to reinvent the wheel, but it's contingent on
14 us sitting down and actually looking at that
15 curriculum.

16 On some more -- okay. So next I want to talk
17 a little bit about Kingdomware and the ongoing saga
18 that's -- that's involved. We have joined with NVSBC
19 and jointly filed an Amicus brief in support of the
20 current interpretation of Kingdomware as it stands and
21 it's in support of PBS's current case in the federal
22 circuit court. That literally just happened on Monday,
23 so more to come on that.

24 Two weeks ago we also had the chance to
25 testify in front of a joint session between the House

1 and Senate Veteran Affairs Committee. Our national
2 commander was able to talk briefly about our -- the
3 small businesses' issue that we are -- we're concerned
4 about and one of them is our support for the Fairness
5 for Veterans and Amicus Structure Act.

6 If you folks don't know about it, it is -- has
7 to do with the Department of Transportation's budget
8 and their DBE program, the money goes straight from
9 Congress. Pretty much it's administered by DOT, but it
10 goes straight to the states. And the states aren't
11 held to the three-percent goal for small businesses,
12 but they do have a DBE program that carves out 10
13 percent for small businesses.

14 But unfortunately veterans and service-
15 disabled veterans are not independently eligible for
16 the DBE program, so that's something we're trying to
17 change legislatively and this is something we've been
18 pushing for, for six years. Now seven. So that's --
19 that's about it.

20 MS. CARSON: Thank you, Davy.

21 MR. LEGHORN: Um-hum.

22 MS. CARSON: I believe there is a House
23 Veterans Committee meeting or a hearing that's
24 happening right now today that American Legion is
25 testifying along with the National Veteran Small

1 Business Coalition and others, so there will be more
2 updates in June for us to follow up on and we look
3 forward to hearing more.

4 MR. LEGHORN: Okay.

5 MS. CARSON: Any questions for Davy?

6 (No response.)

7 MS. CARSON: No. I don't believe StreetShares
8 Foundation was able to join us on the phone, but just
9 checking.

10 (No response.)

11 MS. CARSON: Okay. We are about to transition
12 to public comment and I -- I did fail to thank a
13 colleague, and that is a bad thing to do. So Joe
14 Sobota, the partner of the Advocacy, was the one who
15 made it possible for us to get together with Census.

16 And if you recall, I might have mentioned in
17 December that unfortunately the next survey is -- of
18 business owners is not going to include questions for
19 veteran business owners who are the sole employee, it
20 -- it is only going to survey those who have employees.
21 That is only 15 percent of the population of veteran
22 small business owners, so that's a problem.

23 And we have -- we're trying to turn it into
24 lemonade and potentially seek greater access to
25 administrative data, so that we could still know about

1 our population and possibly have more timely
2 information than waiting to get the census data, which
3 usually take two years to process and get to us. We
4 don't really make forward-looking policy decisions
5 based on that fully.

6 So I thank you, Joe, and I'm sorry I forgot to
7 say that earlier, but we can do those interagency
8 webinars and such. And we found that one extremely
9 helpful, that gave people and agencies an opportunity
10 to get public comment on the record before it was
11 closed, because, unless they're more like me in reading
12 the Federal Register every day, that is not the way
13 we're going to get the word out to people. There are
14 very few consumers of the Federal Register. Okay. So
15 on that note I'm going to --

16 MS. ASHE: Can we help you with that survey?

17 MS. CARSON: -- we --

18 MS. ASHE: I mean, is that something --

19 MS. CARSON: -- we will -- I'll follow up with
20 you --

21 MS. ASHE: -- yes.

22 MS. CARSON: -- Ms. Barbara Ashe, but I'm --
23 I'm actually going to call you up here for a moment --

24 MS. ASHE: Oh.

25 MS. CARSON: -- for our first public comment

1 session. Our office does give a grant to the Veteran
2 Institute for Procurement, it's -- I believe we're on
3 our fourth year now, and we started with the program
4 they were already doing, which is for those who are
5 already active in federal procurement, they have
6 employees, they're generating revenue, past performance
7 is looking good.

8 Barbara was very kind to address with me the
9 gap, which was those who are just maybe getting into
10 subcontracting and have never been a prime and -- and
11 incredible results in that.

12 Then we asked for one more thing, and I think
13 I'm done asking, but the -- this was a focus on
14 international trade, especially exporting, and not just
15 OCONUS federal procurement, but commercial
16 international opportunities where we thought that
17 veterans may be better situated than some having lived
18 overseas. Not that that makes you an expert in doing
19 business overseas, but you've got some cultural
20 competency potentially and you have opportunities.

21 So I'm going to turn it over to you, Barbara,
22 to tell us a little bit about VIP International and the
23 reason that Commerce is on the phone is that there is a
24 program called Vets Go Global and we wanted you to hear
25 about those intersections and where you may have some

1 opportunities for agencies where you've got small
2 businesses that you would want to refer to this
3 program. So I turn it over to you for a quick intro on
4 VIP --

5 MS. ASHE: Sure.

6 MS. CARSON: -- International.

7 MS. ASHE: Absolutely. So, sorry. So VIP
8 International follows the other two programs --

9 MS. CARSON: Um-hum.

10 MS. ASHE: -- which are VIP Start and VIP
11 Grow. So it is a three-day, 27-hour program for
12 veterans who want to scale globally. So they already
13 have to have some competency in the federal market,
14 because we do focus two full days on OCONUS and we
15 focus on what is now different.

16 So you might have been supporting State, or
17 AID, or -- or the Department of Defense, Army, you
18 know, with CONUS work, and now you have an opportunity
19 to expand, and we need to make sure we share with them
20 what risks just went up.

21 MS. CARSON: Okay.

22 MS. ASHE: And what they need to know and be
23 aware of in order to perform and comply. And so that
24 program focuses, the first of the three -- there's
25 three days, the first day and a half, about half of it

1 is on that OCONUS. Again, what are the -- what is the
2 regulatory environment, the compliance, how do you
3 source locally, oftentimes that is required, and what
4 are your risk factors.

5 And then -- and this is where Vets Go Global
6 comes in, because we know as soon as you get over there
7 you'll start building relationships, which is a good
8 thing, and you might be asked or you'll see
9 opportunities to now do other work in country, and now
10 you're not doing business with DOD, and with the FAR,
11 and, you know, U.S. currency, and so on, and so on.

12 And so, again, what just changed in your life?
13 Again, what risks, what do you need to be aware of,
14 what -- you know, what do you have to have in place in
15 order to do business now you're not doing business with
16 the United States Government?

17 So that is the second part of VIP
18 International and it's to not only give them the
19 awareness and the knowledge, but also to, you know,
20 encourage them. You know, if you know, then you may,
21 you know, take advantage again of those opportunities
22 globally.

23 And this was in coordination, again is when
24 SBA started the Scorecard, started to include two years
25 ago OCONUS work as part of the denominator in terms of

1 meeting the small business goals. So it was -- you
2 know, we wanted to react to the -- what we knew would
3 be new opportunities and -- you know, and concurred
4 with Barbara that it would be -- that we thought
5 veterans would be uniquely positioned to -- to capture
6 those opportunities if they had the information.

7 And so we are excited that we were able to, on
8 the second part of that again where the commercial
9 expansion or commercial introduction to work with the
10 Department of Commerce, which has an -- excellent, you
11 know, resources that they should tap into. All
12 businesses should tap into, quite frankly, and -- but
13 Vets Go Global focuses in on helping veterans to
14 understand its scale and enter global markets.

15 And so we work with Murat Muftari with the
16 Department of Commerce who has stood up a wonderful
17 program. And I'll let Murat, who is, I think, on the
18 line, you know, take it from there, but it's been a
19 great partnership.

20 MS. CARSON: Thank you. Department --

21 MR. MUFTARI: Yes.

22 MS. CARSON: -- of Commerce, if you'd like to
23 give a brief summary of Vets Go Global you're welcome
24 to?

25 MR. MUFTARI: Sure. Thanks, everyone.

1 Thanks, Barb. Yes, so just to piggyback off of what
2 Barb was saying and so everyone kind of is aware, we
3 work for the Department of Commerce and the agency, the
4 International Trade Administration.

5 We are the trade promotion arm of the Federal
6 Government and we have a network of global trade
7 professionals both domestically in over 100 cities and
8 internationally in 125 countries embedded as commercial
9 diplomats and -- and they hire local national industry
10 experts that are really the boots on the ground given
11 any -- you know, any industry in any -- any country.

12 The Vets Go Global initiative was started a
13 few years ago. It -- really, it just was -- we founded
14 it to capitalize on our network of domestic
15 international trade specialists, like myself, to more
16 proactively engage and serve the veteran business
17 community as a thought leader and collaborative partner
18 in international business development and export of,
19 you know, global market expansion and we do that
20 through various export assistance and education by more
21 proactively engaging the -- the veteran business
22 community.

23 It's allowed us to create industry-specific
24 type events like Trade Missions. We recently, in
25 October, took eight companies, of which six were

1 veteran owned, over to Mexico for a sustainable
2 infrastructure and construction trade mission, so that
3 allowed them to meet government officials and -- and
4 foreign, you know, Mexican procurement officials with
5 various infrastructure projects, and also meet private
6 sector potential partners that wanted to represent
7 their products or services, and also it -- it was a --
8 it was tied into one of the biggest construction trade
9 shows in Latin America.

10 And so, you know, by engaging the veteran
11 business community, you know, we've looked at other
12 industries, like the healthcare industry is a strong
13 one. A lot of veteran businesses are medical supply
14 type companies and also health IT companies, so we're
15 looking to -- maybe to do a trade mission on that, that
16 industry focus.

17 Also safety and security. Obviously in the
18 Middle East and other parts of -- you know, of South
19 America there's -- there's some good markets out there
20 where veterans provide in, so we're looking to develop
21 some trade missions to those areas, but ultimately our
22 -- our goal is to -- to really just work with various
23 multipliers, like VIP International, like the VBOCs,
24 and like other partners like that, you know, Bunker
25 Labs being another one, and see which companies might

1 be export ready and having shown some success
2 domestically.

3 You know, if -- if they do have that domestic
4 success, if they do show that they're good at, you
5 know, Federal Government contracts particularly, if
6 they're OCONUS, you know, typically they're in -- in
7 the right position to succeed internationally.

8 Only 10 percent of veteran-owned businesses do
9 international and, you know, if we could just increase
10 that number a couple percentage points upward, you
11 know, you'd see a dramatic increase in job
12 opportunities for veterans.

13 So that's currently where we stand. You know,
14 I'm excited to hear about the VBOCs and -- and -- and
15 re-engaging on that effort, you know, at the local and
16 regional level. We -- we love to partner up and do
17 seminars. So we also host quarterly webinars. We have
18 an upcoming webinar with Ex-Im Bank talking about
19 export opportunities.

20 And lastly, when -- when we are talking about
21 government procurement opportunities, we do have an
22 office, an advocacy office within Commerce, and it's an
23 interagency effort that includes Commerce, State
24 Department, DOD, and others that works -- the one by
25 Commerce really works to -- to -- whether a -- whether

1 a company is performing -- pursuing a foreign military
2 sale, an FMS, or whether it's a direct commercial sale
3 with a foreign ally, we -- we perform efficacy efforts
4 to -- to make sure that the U.S. industry is well
5 represented in a -- in a fair way.

6 And then if there is only one U.S. company
7 pursuing that tender opportunity internationally, that
8 -- you know, that they're put front and center and
9 really promoted, you know, in a -- you know, in a way
10 that will allow them to actually not only pursue that
11 opportunity, but win that contract, and we've seen a
12 lot of success stories over the years. So, you know,
13 with veterans and their business focus, a lot of them
14 focus on defense -- aerospace and defense. It's a
15 great opportunity to leverage that, that service and
16 support, to win some of those contracts.

17 MS. CARSON: Thank you, Murat, for the update
18 and I hope there are some connections that come to
19 mind. Barbara, any closing comments?

20 MS. ASHE: Yeah. Yeah, I -- Murat, it was --
21 it was interesting to -- to hear that only 10 percent
22 of veterans, you know, are doing international work. I
23 wanted to share with you that 37 percent of our 1,000
24 graduates do, so we need to focus on those 370, but --
25 so I -- it's good to know that they out perform, I'm

1 not surprised.

2 MS. CARSON: Yeah.

3 MS. ASHE: But --

4 MS. CARSON: Right.

5 MS. ASHE: But it's -- it's an opportunity
6 there and so we -- we should focus on those, so thank
7 you.

8 MS. CARSON: Thank you so much.

9 MS. ASHE: Yeah.

10 MR. MUFTARI: All right.

11 MS. CARSON: Are there any other comments or
12 questions in the room or on the phone?

13 (No response.)

14 MS. CARSON: Okay. I will remind you that we
15 -- our Advisory Committee on Veteran Business Affairs
16 is meeting tomorrow. I'm very grateful there are three
17 members of that committee here who are representing
18 non-profits or small business owners themselves, and
19 dedicate a lot of time and talent to participating in
20 the meetings, and come to hear you the day prior to
21 bring that forward and across the country, so this
22 meeting is important to many of us. And so I thank
23 you, the members here today, and also our advisory
24 committee tomorrow.

25 Our next meeting will be in the beginning of

1 June. I believe it's the first Wednesday in June, I
2 will get back to you. As the deputy administrator
3 said, that homework we have to do is getting input for
4 the fiscal '17 report and what I wanted to do is make
5 it easy for you.

6 Amy Garcia is in the back of the room and is
7 an amazing writer, so what she needs though is just the
8 hint of content. So a reminder on what would be
9 helpful is looking at the recommendations that we
10 agreed would be the body of work that this interagency
11 task force would work to achieve, you know, the goals
12 we set, so go back and look at that.

13 And actually we'll send it out one more time,
14 those recommendations, and many of them are hopefully
15 labeled with the agencies that may have some
16 responsibility or equities in that. And all I'm
17 looking for is a few sentences on what, if anything, on
18 those that you have some accountability for, did you do
19 something in 2017 that you would like to share in an
20 annual report.

21 And it can be brief, but that's really what
22 we're trying to do so that we can have a shell of it
23 back to you in the next few weeks, if at all possible.
24 Don't worry, there's plenty of coordination ahead so
25 that there will be chances to refine and your

1 leadership will have a chance to comment before it goes
2 external. Any questions at all?

3 MR. BLUM: Barb, just a quick question. I
4 think Amy shared both the draft of the report, and then
5 a summary matrix, and the last column has, like, I
6 think, percentages of -- is that just for the members,
7 users, is that something that would actually in your
8 thinking you would like to propose be incorporated into
9 the report?

10 MS. GARCIA: Hi, Matthew, it's Amy. Thanks
11 for the question. I don't know, what are your thoughts
12 on that?

13 MR. BLUM: (No response.)

14 MS. GARCIA: I think it just -- we had set out
15 some goals when we set those recommendations as to what
16 a reasonable timeline would be to accomplish those
17 goals. So the matrix that you're referring to, I would
18 say, has more of an internal kind of barometer reading
19 on where we are on that, I don't know if we necessarily
20 need to present that in the final report.

21 MR. BLUM: It didn't have any -- I mean, I
22 think it's sometimes helpful for the members, like when
23 you -- you color code and just -- because it helps us
24 get focused, and prioritize, and, you know, revisit,
25 and figure out what's important, but --

1 MS. CARSON: We'll share that then, some
2 feedback, perhaps a little more clearly on that point.

3 MR. BLUM: -- um-hum.

4 MS. CARSON: And we'd also be -- we would
5 welcome -- you know, we try to make these goals smart,
6 the -- to make sure it's measurable, we could attain it
7 with this group --

8 MR. BLUM: Okay.

9 MS. CARSON: -- in a timeline.

10 MR. BLUM: All right.

11 MS. CARSON: But if --

12 MR. BLUM: Yeah.

13 MS. CARSON: -- we're missing the mark and do
14 -- we just don't think the conditions have changed,
15 that's a welcome --

16 MR. BLUM: Okay.

17 MS. CARSON: -- feedback as well.

18 MR. BLUM: No, I do think -- right, you -- and
19 maybe the color code may not be great, because that
20 kind of suggests, you know, that, you know, yellow may
21 sound like we're behind or something's going wrong.

22 MS. CARSON: Um-hum.

23 MR. BLUM: But I do -- I do agree with you
24 that one lesson learned from the first set of
25 recommendations was -- I think some of the criticism we

1 got was that it didn't -- you know, we didn't come to
2 -- some of them we were kind of done with, but didn't
3 really, you know, kind of bring them to closure
4 formally.

5 And so, you know, sometimes having smaller --
6 like -- like you just said, smaller bite-size
7 objectives and then being clearer in our reports where
8 we think we are on it, you know, without necessarily a
9 value judgment, you know, may be helpful, because,
10 like, on a couple of them and you have marked, like,
11 100 percent in terms of the status.

12 So one of them says, "Ongoing," but, I mean,
13 if it's something that's done and then we want to shift
14 our priority to something else, because we're not just
15 here to kind of maintain the status quo, that would be
16 -- I think that would be helpful for the -- for the
17 readers to -- to understand.

18 MS. CARSON: That's great. And for those that
19 are ongoing, I think that we would just need to
20 demonstrate that we addressed it by creating something
21 that is -- it will be sustained.

22 MR. BLUM: Yes.

23 MS. CARSON: And so therefore dropping off is
24 a recommendation, because --

25 MR. BLUM: Yes.

1 MS. CARSON: -- the mechanisms are in place.

2 MR. BLUM: Yes.

3 MS. CARSON: We will look for places that we
4 can incorporate that.

5 MR. BLUM: Okay.

6 MS. CARSON: Good.

7 MR. BLUM: Thank you.

8 MS. GARCIA: And thanks for the question.

9 MR. BLUM: Okay.

10 MS. CARSON: Any other questions before we
11 close or comments?

12 (No response.)

13 MS. CARSON: Okay. Thank you again for your
14 participation.

15 (Whereupon, at 3:21 p.m., the meeting was
16 adjourned.)

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