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U.S. SMALL BUSINESS ADMINISTRATION

INTERAGENCY TASK FORCE ON
VETERANS SMALL BUSINESS DEVELOPMENT

WEDNESDAY, JUNE 5, 2019

1:00 P.M.

Recorded by: Jennifer Razzino, CER

1 C O N T E N T S

2 PAGE:

3 Welcome Remarks/Administrative Business/Updates

4 - Tim Green 3

5 Member Reports:

6 GSA - Dewayne Carter 11

7 DOL - Bill Metheny 11

8 VA - Beth Torres 14

9 OMB - Matthew Blum 19

10 NCMBC - Fran Perez-Wilhite 45

11 Student Veterans of America - Will Hubbard 47

12 Public Comments/Discussions 55

13 Closing Comments/Adjournment 58

14

15

16

17

18

19

20

21

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23

24

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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 MR. GREEN: Okay, good afternoon, everybody.

5 In case you don't know me -- I introduced myself to a
6 few of you -- I'm Tim Green. I've been here about
7 three weeks at the Small Business Administration -- I
8 almost said Vets. And happy to be here. I'm Larry's
9 deputy. And Larry is not able to make it today. He
10 got called out for a briefing, so he will be not at the
11 meeting, but he will be at the Advisory Committee
12 meeting tomorrow.

13 So I think as we start, I want to just give
14 you a little background on me. I did about 28 years in
15 the Air Force, aim high, and then I worked over at the
16 Department of Labor with Bill Metheny as -- I did
17 outreach and legislative affairs over there at Vets.
18 And then I recently came over here as a deputy
19 administrator for Larry.

20 So happy you're all here. We're going to do a
21 roll call now. So why don't we go around the table,
22 and then I'll ask those on the line to tell us who you
23 are. Okay? If we can go around the room.

24 MR. CARTER: Good afternoon. Dewayne Carter
25 from GSA.

1 MR. METHENY: Bill Metheny from Department of
2 Labor, Vets.

3 MR. KURTZ: Stan Kurtz, SBA, Office of
4 Veterans Business Development.

5 MS. PEREZ-WILHITE: Fran Perez-Wilhite, North
6 Carolina Military Business Center. Good afternoon.

7 MS. TORRES: Beth Torres, Veterans Affairs
8 OSDBU.

9 MR. HUBBARD: Hi, everybody. Will Hubbard,
10 Student Veterans of America.

11 MR. GREEN: Okay, and on the outside of the
12 room?

13 MR. SOBOTA: Joe Sobota, SBA Office of
14 Advocacy.

15 MR. GREEN: Okay, so who do we have on the
16 line?

17 MS. LEWIS: Hello, this is Valerie Lewis.

18 MR. GREEN: You said Valerie?

19 MS. LEWIS: Yes, sir.

20 MR. GREEN: Thank you.

21 Do we have anybody else on the line?

22 Nothing heard, okay. If anybody calls in,
23 please announce yourself, but you won't hear this,
24 since you're not on the line. Okay.

25 All right. That's my attempt at humor this

1 afternoon. Again, welcome, everybody. We're going to
2 go around -- start with updates. And I thought I would
3 kick it off with kind of what we're doing at SBA based
4 on what I -- my limited knowledge of what's going on.
5 I do have Stan Kurtz on one side and Amy's going to be
6 on the other side to answer any tough questions. And
7 then I want to -- we'll go down and let each of you
8 give us an update. And then I'd like to have a little
9 discussion about the committee and where we are, where
10 we're going, that kind of discussion. And then we'll
11 take it from there.

12 So my updates, I have a slide, if you can go
13 to the next slide. So the President this year gifted
14 us \$100,000 of his FY18 salary to conduct some kind of
15 program to assist veteran-owned small businesses. And
16 so what we did, we took and ran with that, and we're
17 focusing on the growth portion of entrepreneurship. So
18 we're going to do a program partnering with the Veteran
19 Entrepreneurial Training and Resource Network, and
20 they're out of Boston.

21 And they're going to run a couple of cohorts
22 to start with. We're calling it a pilot, obviously,
23 starting in September. The funding announcement and
24 all that should be -- all the grant process should be
25 done probably in about two weeks. And they're going to

1 run a couple of classes. And we're calling it the
2 Veteran-owned Small Business Growth Pilot. And they're
3 going to train businesses that have been open a year or
4 so, and they're going to run them through a training
5 program to help them expand and grow their business.

6 So we're excited about this. I know it's a
7 small amount of dollars, but it's also -- it's going to
8 get a lot of visibility for us, and so we're pressing
9 forward with that.

10 Stan, anything you want to add on that?

11 MR. KURTZ: Just working on the one-pager
12 right now, so the one-pager just kind of gives you an
13 overview of what the program is. So once we get that
14 complete, we can send that out to you so you can share
15 with other folks.

16 MR. GREEN: Okay, appreciate that. The other
17 thing, there's been some talk about excess equipment,
18 and I don't know if you've been briefed on this before,
19 but back in April, Senator Duckworth introduced S2679.
20 It's called the Veteran Small Business Enhancement Act
21 of 2018. Really, the intent here is to give GUS --
22 excess property, US-owned surplus property to
23 businesses so they can use and help generate, you know,
24 save costs for supplies and equipment and that, to
25 businesses that are owned by veterans. Funded into

1 law. It was the Veterans Small Business Enhancement
2 Act of 2018.

3 GSA is going to play a big role in the process
4 or reusing and disposing of equipment. SBA and VA are
5 going to be leaders in the outreach effort for that.
6 One of the reasons we're bringing it up is because
7 we're getting a lot of calls on that, but this whole
8 process for helping the veterans is going to require a
9 rule, and the rule, you know if you've ever done a rule
10 before, it takes a little bit of time to draft that.
11 So it's going to go shortly into interagency review,
12 and then it will be 60 to 90 days, and then -- probably
13 90 days, and then it's going to go in for public
14 comment. So when we get into that period, we'll let
15 everybody know. Then you'll have an opportunity to see
16 how that program is going to be working.

17 Hopefully, you'll want the rule published late
18 in 2019 and then start the program sometime in 2020.
19 And that will allow opportunities. And then each of
20 the states are also going to have -- we're going to
21 have an agreement with each of the states on how to --
22 how they're going to ask for the property and collect
23 it and all that kind of thing. So that is in the works
24 right now, and if you're interested in that, we can
25 provide some information on where to go to reach out to

1 the states and where they are in the process as we go
2 along.

3 Amy, do you want to add anything on that?
4 You're kind of the expert on --

5 MS. GARCIA: No. Hi, Amy Garcia. No, we're
6 working with GSA to craft the proposed rule, and so as
7 soon as that's cleared by OMB, then we'll be headed
8 down the highway, just like you mentioned.

9 MR. GREEN: Okay, great. The next thing --
10 the next slide, if you'd go to that -- well, back up
11 one. On the bottom, we do want to announce the VBOC
12 conference, August 13 through 15. Ray Milano, if you
13 know Ray, he'll be part of that. I guess, Stan you're
14 not the VBOC director anymore, so you'll just -- you
15 won't be the lead for that, but Ray, and that's going
16 to be 13 through 15 August here in town, just for all
17 the VBOC directors who will be coming in.

18 Next slide. So I was getting ready for the
19 meeting. I want to -- I kind of reviewed some of the
20 requirements for the Interagency Task Force, and I know
21 we normally conduct this the day before the full FACA
22 Committee meeting, which is tomorrow, but there is --
23 the Interagency Task Force is in public law and
24 statute. And we also have a charter I can share, but
25 basically representatives here are part of the

1 membership, and then we have four representatives from
2 VSOs, MSOs, the associations that are part of the
3 charter.

4 Go to the next slide. Back up one. Go ahead
5 one. Yep. Forward. Okay, so this lays out the
6 functions of the Committee. And I know you probably
7 all know what the Committee's charter is, but if you
8 haven't, it requires us to consult regularly with VSOs,
9 MSOs, and then creates regulatory activities and
10 proposals for all these things. And I'm -- the reason
11 I put it on here, I'll leave it with you, you can take
12 it with you, but just kind of a reminder of some of the
13 things that we're asked to do for this task force in
14 case we stray off and go into other areas, to kind of
15 bring it back to this.

16 Next one.

17 MS. LEWIS: Excuse me.

18 MR. GREEN: Yes, go ahead.

19 MS. LEWIS: It's kind of hard to hear. I was
20 wondering if you could just speak up a little bit, and
21 we're not -- we're not able to see the slides. Are we
22 supposed to be able to see the slides?

23 MR. GREEN: And if you want, we can send them
24 to you, if you pass your contact information.

25 MS. LEWIS: Yeah, we have -- I have the agenda

1 and the handouts. I just thought maybe you guys might
2 not be aware that we can't see what you're doing there.

3 MR. GREEN: Okay. Thank you.

4 MR. KURTZ: Do you have the slide deck? You
5 should have that.

6 MS. LEWIS: Yes.

7 MR. KURTZ: So when we go through it, we'll
8 tell you what slide that we're on. That way you can
9 kind of follow along.

10 MS. LEWIS: Okay, great. Thank you.

11 MR. KURTZ: Okay. So we're on Slide?

12 MR. GREEN: Four.

13 MR. KURTZ: We're on Slide 4 right now.

14 MR. GREEN: So this kind of -- this lays out
15 the functions of the Interagency Task Force. It's good
16 to review this every once in a while and remind
17 yourself of what we were asked to do with the original
18 legislation.

19 The next slide is where I want to go kind of
20 at the end of the meeting to talk about reporting and
21 what our plan is for this year's report and to go
22 moving forward. I will likely be the designated
23 federal official for this committee. Larry still will
24 be the chair. And then we do have a requirement to
25 meet four times a year, and we can do that in person or

1 via conference call. And we can talk about that as
2 well. And then we have the ability to establish
3 working groups -- ad hoc working groups -- as necessary
4 to support this Committee.

5 So that's kind of the overview. I'm going to
6 go a little more into the report and stuff after we
7 have the other agencies report out. So any questions
8 before I turn it over?

9 (No response.)

10 MR. GREEN: Okay, that said, GSA, do you want
11 to give an update?

12 MR. CARTER: So I apologize to say that Amando
13 didn't pass any updates, and he only mentioned about
14 the VETS2 contract and that it was doing quite well
15 dollars-wise, but he had an emergency meeting and he
16 didn't have the opportunity to send me anything, so I
17 told him I would take notes and we would go from there.

18 MR. GREEN: Okay, that's great.

19 Do we have anybody from DOD?

20 (No response.)

21 MR. GREEN: Okay, over to you, Bill.

22 MR. METHENY: Okay, thank you. Again, this is
23 Bill Metheny from the Department of Labor. The first
24 thing I wanted to share is the veteran unemployment
25 rate and numbers from last month, April, just to keep

1 everybody up to date on how we're doing, the
2 unemployment rate for April was 2.3 percent for
3 veterans. That's down from 3.7 percent the year prior,
4 so still going in the right direction. It's actually
5 the lowest unemployment rate for April since we started
6 collecting data in this way in the year 2000. So good
7 news there, and we're excited about that.

8 To compare it to the nonveteran unemployment
9 rate, which is not seasonally adjusted, is 3.3 percent.
10 So veterans are doing better in some ways than their
11 nonveteran counterparts. One area that still -- we
12 still need to continue to focus on is our women veteran
13 unemployment rate -- 4.1 percent. So higher than the
14 broader veteran population itself, but one that is much
15 improved over recent years. So I wanted to share that.

16 The next report for the month of May comes out
17 on Friday. So if you watch email threads or check
18 veterans.gov, you can get that update when it comes
19 out, usually mid-morning, on this coming Friday.

20 Second, I wanted to share with you, many in
21 this room are involved with implementing the guidance
22 that came out with last year's National Defense
23 Authorization Act to revise the Transition Assistance
24 Program in pretty significant ways. And so the
25 Department of Labor's piece, the employment workshops,

1 are part of that and allows a little bit more focus for
2 folks to choose which direction they want to go and get
3 the training that they need at different times, rather
4 than right at the end. So we're excited about that.
5 We've updated our curriculum, and this summer we will
6 be piloting the curriculum at about six different
7 installations around the country, starting later this
8 month and through August, to make sure that it's
9 meeting the needs of the service members so that when
10 we roll it out full -- in full, it's ready to go and
11 the best product we can make it.

12 Next, I wanted to share, too, a program that
13 we've been very excited about and tried to keep this
14 task force up to date on: the Hire Vets Medallion
15 Program. So that is -- has just completed its first
16 year of full run-through of applications. The
17 applications closed not too long ago, just a few weeks
18 ago, and now we're reviewing the applications. And
19 each year, those recipients will be announced around
20 November around Veterans Day. So we're excited about
21 that, and we will share more about who those recipients
22 are so that they can be recognized for being great
23 employers of veterans around the country.

24 And, finally, one of the other things that we
25 do and focus on over at Department of Labor and in Vets

1 is our homeless veterans and getting them employed.
2 And so we announce a grant each year called the
3 Homeless Veterans Reintegration Program. That
4 announcement closed. We received the applications;
5 we're reviewing the applications; and we hope to
6 announce those award recipients, those grantees, later
7 this month. And so we've had great success with that
8 program around the country, and we're looking forward
9 to the new recipients there. And that's an update from
10 us, and I'm happy to answer questions as we go.

11 MR. GREEN: Thanks.

12 Okay, do we have anybody from Treasury?

13 (No response.)

14 MR. GREEN: Okay, over to Beth.

15 MS. TORRES: I'm Beth Torres from Veterans
16 Affairs. We have a few things, updates as far as
17 verification goes. CVE is reporting that in the month
18 of May the average time to determination was 24 days,
19 and for the fiscal year of '19 it's at 43 days, so that
20 we are processing more and more applications more
21 quickly.

22 Now, the number of submissions lately has
23 dropped, and we're not sure exactly why, but at any
24 rate, if folks need to get their applications in,
25 they're speeding right through at this point. We've

1 got a number of outreach events that we've been working
2 on. We've had a couple of one-on-one sessions with the
3 associate executive director of the facilities
4 management -- construction and facilities management
5 office. We've had three outreach events targeted at
6 the Med-Surge prime vendor contract that's coming out.
7 A couple of industry events over at the National
8 Cemetery Administration, and we're working on the
9 Electronic Health Record Modernization Industry Day.
10 We assisted with that as well.

11 We've got a number of outreach events planned
12 where we're trying to get a direct connection between
13 veteran businesses and program managers. We're working
14 on one that connects large businesses with veteran-
15 owned businesses so that they can talk about
16 opportunities for subcontracting.

17 There's an energy services company -- Energy
18 savings performance contract event that's coming up. I
19 don't have a date on it here, but it would include
20 future project opportunities, including some discussion
21 about the process of becoming ESCO-qualified by the
22 Department of Energy.

23 We're coming up on approximately 34 events
24 nationwide held at the VA medical centers, intended to
25 provide marketing opportunities for VOSBs and other

1 small businesses, especially with VA healthcare
2 marketplace opportunities.

3 And we are looking at two large national
4 events. We are partnering again with SAME on the
5 construction event that will be held in Dallas on the
6 20th through the 22nd of November. And right now we
7 have -- we're tentatively looking at the NVSBE. We're
8 waiting final approval on that, which will be the 9th
9 through the 11th of December in Nashville. And that's
10 going to focus on information technology, VHA, and VBA.

11 Let's see, what else do I have? If you are
12 interesting in going to any of these events or finding
13 more information about it, that's on our website under
14 dapevents.mbmapp.com, and it has a listing of those.
15 That's dapevents.mbmapp.com.

16 And unless anyone has any questions, that's
17 our update.

18 MR. GREEN: Great, thank you.

19 MS. PEREZ-WILHITE: I have a quick question.
20 Your SAME event and the National Veteran Small Business
21 Engagement event are not at the same time this year?

22 MS. TORRES: Correct. They are two different
23 events, so the SAME event is focusing solely on the
24 construction and A&E opportunities; and the NVSBE is
25 focused on the other opportunities.

1 MR. GREEN: Okay, no other questions? Oh, go
2 ahead.

3 MR. PHIPPS: Hi, Michael Phipps, American
4 Legion. Hi, Beth. I have a quick question on the time
5 to get people CVE-certified. The last time we spoke,
6 there was some issues with people kind of getting
7 recycled through, getting kicked out of the queue for
8 the help desk and having the time restart, and we had a
9 number of veteran companies come and say, they're
10 saying it's 30 days or whatever the timeline that VA is
11 given, but we've been doing this process for 90 days,
12 120 days.

13 And so we found -- when we talked to some --
14 just people had called us because they know about the
15 committee here and the committee tomorrow. And so we
16 had found that that was an issue, and Tom had said,
17 yes, that is an issue and we're working to correct
18 that. And I just wanted to know if you had any update
19 on that or if Tom had given you any direction on that
20 issue.

21 MS. TORRES: Well, let me just say first, Tom
22 is actually no longer at OSDBU, so he has moved on.
23 He's the associate executive director at the SAC down
24 in Frederick -- Fredericksburg, both, I guess. And
25 what has occurred is, over the course of this fiscal

1 year, we have removed a large number of applications
2 for a 30-day dormancy. If, you know, we had spoken to
3 a vet and the vet needed to submit something and they
4 didn't submit and we had not heard anything for them
5 for 30 days, then they were -- they were
6 administratively removed.

7 When they come back in, all of the documents
8 are still there, so they'll basically pick up where
9 they left off. But if their application has been
10 dormant for 30 days, it just is removed for dormancy.

11 MR. PHIPPS: Yeah, I think this was a little
12 bit different. These people weren't dormant, but I'll
13 try to get some -- I'm sure a couple of people had
14 called in last time. I'll try to get some people to
15 just call into the meeting tomorrow about their
16 specific issues where they were -- they weren't kicked
17 out for dormancy. It was just a -- they were just
18 being kicked out and restarted, and Tom had said it
19 might have been an IT issue, and we were going to
20 address it, and I think he started addressing that
21 issue, but we never got a full resolution on it.

22 So I'll try to get some, if I can by tomorrow,
23 some anecdotal information from the companies that this
24 is happening to because we still have their contact
25 information. And then are you going to be here

1 tomorrow?

2 MS. TORRES: I have another meeting I have to
3 be at, but I will check to see if I can get at least
4 Tom McGrath to call in.

5 MR. PHIPPS: Oh, that would be great, because
6 the VA always have an open invitation to our meetings.
7 Full and open, anytime we have a meeting, we would like
8 at least somebody to be there just so we have that
9 representation there, so thank you, Beth.

10 MS. PEREZ-WILHITE: I have another question
11 for Beth. Can you explain to me -- I'm not really sure
12 I understand it. You said the CVE average with the
13 applications is 24 days normally, but then for Fiscal
14 Year 2019, it's 43 days, I think you said. Did it go
15 up or something?

16 MS. TORRES: No, it had -- it's coming down,
17 actually. It's 43 days average if you look at every
18 month in Fiscal 19. For the month of May, we were down
19 to 24 days. So that average is coming down. It's
20 getting fast and faster, actually.

21 MR. GREEN: If there's no further questions
22 for VA, we'll go to OMB.

23 MR. BLUM: Thanks, Tim, and for folks keeping
24 score in terms of the point earlier on functions, I
25 guess most of the work that OMB has contributed to this

1 Task Force over the years has been under, I think, the
2 third function, or the second, depending upon how
3 you're counting, ensuring achievement of federal
4 contracting goals and also reducing paperwork and
5 administrative burdens. Our office, the Office of
6 Federal Procurement Policy obviously focuses largely on
7 the contracting piece of this equation.

8 So we have three updates of actions that have
9 occurred since our last -- we last convened I think in
10 March. One is on category management. The second is
11 on a legislative proposal that the Administration
12 transmitted to the Hill on innovation. And the third
13 is a quick regulatory update that I will do in, I
14 guess, the absence of our GCBD colleagues.

15 On category management, on March 20th, OMB
16 issued guidance a long time in the making, OMB
17 Memorandum M-1913, M-1913. And this guidance is
18 intended to codify much of the activity that's been
19 going on under the President's management agenda, and
20 hopefully reflects a lot of the work that we have done
21 with SBA, with the Small Business Procurement Advisory
22 Council, the SBPAC, with the OSDBU Council, and with
23 this group in making sure that as we pursue efforts to
24 be more efficient in how we acquire common goods and
25 services, that we are simultaneously providing maximum

1 practical opportunity for the small business community,
2 including the service-disabled veteran-owned small
3 businesses and veteran-owned small businesses that are
4 the primary focus of this Task Force.

5 And I think first and foremost, just as a
6 large umbrella point, by calling this category
7 management, as opposed to strategic sourcing we have
8 broadened the focus of this first and foremost onto
9 smarter buying through collaborative, coordinated, and
10 data-driven actions, not -- leveraging is a part when
11 it makes sense, but only one part of the efficiency
12 equation. And most of what we have done to ensure that
13 agencies understand the importance of providing natural
14 and practical opportunity has taken advantage of this
15 larger frame.

16 So what does that mean? Well, specific points
17 that you will see made in this memorandum, M-1913, are
18 that small business goals are unchanged. Agencies
19 remain fully responsible for meeting their contracting
20 goals and all of the socioeconomic goals. Success is
21 achieved through balance, that agencies are expected to
22 manage contract spending through a balance of
23 government-wide, agency-wide, and local contracts. And
24 by local contracts, we mean set-aside contracts that
25 are done at the local office level that generally are

1 designed to meet the needs of a small number of
2 customers, and we specifically pointed this out because
3 in many instances, especially out in the heartlands,
4 these are the contracts that are held by small business
5 incumbent contractors providing services, and we want
6 to make very clear that an organized strategy by the
7 OSDBU of making sure that there's a robust industrial
8 base is an acknowledged and positive action that
9 supports smart spend under management and that they
10 receive credit through this initiative for those
11 activities.

12 So taking a play out of the small business
13 playbook, we manage this initiative through goals.
14 It's not on a transaction-by-transaction basis, meaning
15 agencies aren't being asked to justify individual
16 transactional activity, but rather they work towards
17 achieving a goal for their category management
18 activities, both in bringing spend under management and
19 also using best-in-class contracts, but also doing so
20 in a way that enables them to meet and exceed their
21 small business goals.

22 And our history under the President's
23 management agenda is such that we think that the goal
24 levels that have been set for, in particular, the best-
25 in-class contracts are such that there's lots of

1 flexibility and leeway for agencies to comfortably meet
2 those goals. There should never be a situation where
3 they are having to trade off meeting one at the expense
4 of the other. And through the PMA and also through the
5 infrastructure of this memorandum, there are a lot of
6 touch points with OMB through the senior accountable
7 officials at agencies to make sure that this is
8 happening. And in addition to that, the memorandum
9 specifically empowers and creates an expectation that
10 OSDBUs are going to be working with the senior
11 accountable officials in identifying these strategies
12 for meeting their goal.

13 So there's a lot of opportunity through this
14 process to make sure that, you know, we're engaging
15 with the agencies and understanding any challenges
16 arising, and hopefully more importantly sharing success
17 stories of how agencies are kind of meeting the dual
18 goals of being more efficient, saving money, getting
19 better value, getting better customer satisfaction, and
20 doing so with small business contracting support, and
21 also making sure that OSDBUs and SBA are embedded in
22 each of these category management teams, these teams
23 that are focused around various areas of spend, because
24 as we know, and kind of the bottom-line purpose of
25 category management is to recognize that all spend, you

1 know, isn't one size fits all.

2 There are terms and conditions. There are
3 industry practices that differ, and we want to make
4 sure we're leveraging the best of that so we get our
5 experts together and we want to make sure that SBA and
6 OSDBUs that are knowledgeable in those spaces are
7 participating in those conversations. And that's
8 particularly important for government-wide solutions to
9 make sure that consolidation and bundling
10 considerations were being considered, and also
11 furthering the practice that I think has been in place
12 since at least 2012 that, you know, as agencies think
13 about renewal or creating new vehicles that we have a
14 baseline, we're aware of what the current participation
15 rate is, and building on.

16 So we've had, I think, some good outreach, but
17 this is -- although this is an important milestone,
18 this is not the end of the conversation. Maybe this is
19 the end of the beginning of the conversation, and we
20 are fully committed to continuing to do robust outreach
21 as this gets implemented to make sure that it's having
22 an intended good impact and in particular that we are
23 making sure that agencies are able to maintain and
24 build a robust industrial base, which we know is as
25 important in many instances as making sure that dollars

1 are getting to small businesses.

2 Before I go to the other two issues, let me
3 just pause there to see if anybody has any comments or
4 questions or thoughts.

5 MS. LEWIS: I do. This is Valerie, VetForce,
6 American Legion, and from Service-Disabled Veteran-
7 owned Small Business Network. I have a question about
8 the category management piece. So is there, like, a
9 particular ombudsman assigned to each agency for small
10 businesses to have reference to this new impact?

11 MR. BLUM: So we didn't create a new position
12 or a new responsibility for ombudsman, but we have --
13 and if you have a chance to look at the memo, I think
14 it's in the second attachment. There's kind of a
15 detailed discussion of roles and responsibilities. And
16 it lays out -- I don't know if I brought the memo with
17 me -- but it does lay out, I think in some detail, the
18 responsibilities of the OSDBUs.

19 So we would, at least as a starting point,
20 want to make sure as we have conversations with the
21 senior accountable officials, the ones that are
22 ultimately responsible for category management, to
23 understand that the OSDBUs are having -- are fully
24 engaged in that conversation. So to put it in kind of
25 maybe simpler speak, OSDBUs are already, you know,

1 familiar with the profile of how their agency uses
2 small businesses to meet their mission generally.

3 We view category management as a subset of
4 that, in other words, making sure they have access to
5 information so that they can figure out how can the
6 agency best utilize small businesses to perform
7 functions involving common goods and services. And
8 it's actually incumbent, we believe, upon some of our
9 government-wide offices like the PMO at GSA to provide
10 the data on where small businesses are on these
11 vehicles and in what capacity they're performing, so
12 that OSDBUs can make common sense and smart decisions
13 about when it makes sense to use these vehicles versus
14 when it makes sense to go with a local vehicle.

15 And we actually go so far as to say if an
16 agency is going to do a large spend play for tens of
17 millions of dollars, and they're not going to, you
18 know, migrate to a government-wide solution, one of the
19 reasons for this could be that it could hurt the small
20 business contracting base. Another rationale could
21 even be that they don't have sufficient information to
22 even make that determination.

23 So we would want to see the OSDBUs involved in
24 those conversations and, you know, plan to as we go
25 over their annual reports, you know, ask questions and

1 also have encouraged OSDBUs at the SBPAC and other
2 places to be vocal in raising points to us to make sure
3 we're aware if, for whatever reason, you know, they
4 believe that their communications internally are not --
5 you know, their concerns are not being voiced.

6 MS. LEWIS: Is the Tier 0, is that a new tier,
7 or has that always been in place?

8 MR. BLUM: No, Tier 0 actually -- she's
9 referring to how we give credit to agencies towards
10 achieving a goal of bringing spend under management.
11 Tier 0 refers to spend that isn't aligned with --
12 currently aligned with basic category management
13 principles. That change actually was part of the
14 President's management agenda, but an important change
15 that we made in the guidance is to recognize that you
16 can have local contract spend through set-asides, for
17 example, to small businesses that receive credit in
18 Tier 1, which is bringing spend in alignment with
19 category management.

20 I think prior -- initially, we were not giving
21 credit but have recognized, as I mentioned earlier,
22 that when OSDBUs create strategies, that include, you
23 know, smart use of set-asides to achieve goals, you
24 know, that should receive credit.

25 We only kind of ask, and it is an important

1 one, is you don't automatically get credit for every
2 set-aside. We want to see the OSDBUs looking at the
3 information that's been made available through, for
4 example, the GSA PMO and others so that they can make
5 smart decisions about where it makes sense to migrate.
6 That doesn't mean that they don't reach the same
7 conclusion, but to the extent that we're spending
8 taxpayer dollars to build out these vehicles, and in
9 many cases these vehicles actually will include pretty
10 strong small business participation, you know, we want
11 to make sure that the OSDBUs and the agencies are at
12 least considering, you know, where it may make sense.

13 You may, for example, have a play that
14 involves a product that really -- you know, there's
15 many, many small business providers and just given how
16 the agency uses small businesses, it may not matter
17 whether they stick with their local contracts or go to
18 a government-wide play. In other cases, like say for
19 example, semi-specialized services, they may have
20 developed, you know, a supplier base that has expertise
21 that you don't find on these government-wide vehicles.
22 And this is precisely where we want the OSDBUs and the
23 agencies making these informed decisions to say we're
24 not going to migrate here. It wouldn't make sense,
25 we're not going to get a better value and, in fact, we

1 could put the agency at risk.

2 MS. LEWIS: So this also gives the OSDBUs the
3 authority to do that? Is that -- because let's just
4 say, like, for instance, VA, what we find is that
5 OSDBUs are oftentimes overworked and very little
6 category management, you know, gets dealt with at that
7 level, and you might have a better solution from a
8 small business, but they really don't have an outlet to
9 -- you know, to voice those types of issues or
10 concerns.

11 MR. BLUM: So two things there. One is we've
12 been working with SBA and the OSDBUs on the SBPAC to
13 build out small business dashboards so that there's
14 much greater visibility on what opportunities exist or
15 don't exist, and we're trying to do this with end-user
16 input so that it is meeting the needs of the people
17 that are using these at the level of information they
18 need. So, for example, developing a very complex
19 dashboard that has all sorts of detailed information
20 may be great for a contracting officer that's making
21 \$50 million buys, you know, to support a -- it may be a
22 government-wide solution. Providing that dashboard to
23 a contracting officer that has a \$2 million warrant out
24 at the heartland is probably not helpful. So we're
25 specifically trying to develop resource tools, and as

1 well as training tools, that are stratified to meet the
2 needs of people at the local level.

3 And the second thing, and this is -- and I
4 apologize that I didn't bring my guidance -- but I want
5 to say it's -- there's a section in the back of the
6 report, and I think it's also in the front of the
7 guidance, that specifically requires agencies to
8 identify the specific process that the workforce is to
9 use in requesting exceptions. So, for example, because
10 OSDBUs are very good, but they don't know everything
11 and they can't be knowledgeable of every single
12 transaction. If you're making a decision --

13 MS. LEWIS: Right.

14 MR. BLUM: -- about multi-million dollars of
15 spend, you don't necessarily know that out at the
16 heartlands there may be some cases, you know, where it
17 doesn't make sense to use that vehicle that the OSDBU
18 at the federal level didn't know about. So we've
19 anticipated that and said when you make decisions that
20 say we're going to migrate to this vehicle, you should
21 also have clear processes that your workforce can use
22 to raise exactly the types of questions that you are
23 describing, where they can go to either their local
24 OSDBU or, you know, up to the national, if you will,
25 the federal-level agency OSDBU.

1 Again, it doesn't mean that they'll say yes or
2 no, but it means that the process is important because
3 we don't want contracting officers just throwing up
4 their hands when a customer says, I really like this
5 small business, they're performing really well, and I
6 don't see what the benefit is of migrating over to
7 this, why the agency decided to migrate over. And
8 sometimes people just come back and say, well, it's
9 because OMB said. OMB is not making these decisions,
10 but even then, we have to have some accountability to
11 make sure that we're working with agencies to process
12 these and anticipate these questions.

13 MS. LEWIS: Good, thank you.

14 MR. PHIPPS: Hi, Matthew. Mike Phipps. So
15 you had stated that the agencies don't have to adhere
16 to the small business goals on individual procurements
17 but it's at an agency level.

18 MR. BLUM: No, I don't think I said that.

19 MR. PHIPPS: Okay.

20 MR. BLUM: The small business -- nothing in
21 the guidance changes the small business contracting
22 goals. What I was saying is that in the not-to-distant
23 past, Congress passed a law -- this is part of FITARA,
24 the Federal IT Acquisition Reform Act or something. I
25 might be getting the name wrong, that said for FSSI,

1 Federal Strategic Sourcing Initiative, vehicles -- this
2 was under something prior to category management,
3 basically vehicles that were identified as kind of
4 best-in-class in the old days, that they wanted
5 contracting officers that didn't use those vehicles to
6 put justifications in the contract file every time they
7 didn't use those vehicles.

8 And what we said is, you know, we don't want
9 to go down that path because that's kind of a micro-
10 management approach, it's very inefficient, and it
11 doesn't provide agencies the flexibility they need,
12 right? That assumes that every time we identify a
13 government-wide solution it's best, and we've gone
14 through, I hope, in a clear fashion to say best-in-
15 class does have benefit and value, right? In other
16 words, it has a track record of having satisfied
17 customers. It has terms and conditions that have
18 worked, but that doesn't mean it's one-size-fits-all,
19 and it doesn't mean that it's all-or-none, the latter
20 being the problem that we see with doing individual
21 exceptions.

22 So we said we're going to let agencies tell us
23 how they'll meet their goals, and they may decide
24 they're not going to use a vehicle at all in a given
25 instance to meet their category management goal. And

1 so, therefore, we're moving to the goal approach to
2 achieve accountability as opposed to having individual
3 transactional justifications.

4 MR. PHIPPS: So how does the memo interact
5 with the FAR, and how is the guidance going to become
6 more -- because when you're talking about contracting
7 officers just getting guidance as opposed to, okay,
8 this is guidance versus this is -- you know, this is in
9 the Federal Acquisition Regulations and it goes through
10 that process.

11 MR. BLUM: Right.

12 MR. PHIPPS: Is there an intersection there
13 that is going to occur?

14 MR. BLUM: Yes. Yeah, so we haven't made --
15 and I don't know that we've opened a FAR case yet
16 because, just to be brutally honest, we want to give
17 the guidance a little time to settle and make sure that
18 if there are glitches that we can, you know, make
19 adjustments to them so that when we go to make the
20 regulatory changes we're doing it in a thoughtful
21 manner.

22 But we have been working with the Federal
23 Acquisition Institute, and I believe the Defense
24 Acquisition University as well, on guidance that will
25 help agencies in implementing their category management

1 responsibilities, and also the PMO at GSA and OFPP have
2 been offering, like, regular classes on the dashboard.
3 In fact, when we went to the SBPAC, I think it's June
4 13th, but I'm happy to send the information, it's
5 mostly at this point for feds, but we are giving people
6 regular training.

7 We have office hours. We have an initiative
8 at OFPP called Inreach, which is, one, to build a
9 greater workforce awareness of our tools, as well as
10 getting people involved in giving us feedback. So,
11 again, that's not to the exclusion of our contract
12 partners, but it's recognizing that I can sit here and
13 tell you all of these good things, but if they don't
14 get translated in a way that the 40,000 contracting
15 officers get these messages, you know, we don't achieve
16 our intended results.

17 MR. PHIPPS: So contractors themselves can
18 make themselves knowledgeable about this and educate
19 their contracting officers that they're working with.
20 Where would we go -- is it just the memo, or is there a
21 deeper guidance now with all of those initiatives that
22 you're talking about, is there some sort of guidance
23 that even contractors can educate themselves on?

24 MR. BLUM: So let me get back to you on that.
25 I think that's a great question as to what specific

1 tools are being made available to contractors. I know
2 we did a one-pager on category management when the
3 initiative was released that we did share with
4 industry, and I then created one that's the same format
5 but specifically focused on what's in it for small
6 business, so I did give it to our GCBD friends, and as
7 soon as we get feedback on that, that at a minimum,
8 we'll share, but I think there's more that we can share
9 as well.

10 MR. PHIPPS: Okay, thank you.

11 MS. LEWIS: Did anything change in the tiered
12 level spend allowing agencies or large businesses to
13 get credit for lower tiers?

14 MR. BLUM: So sorry. So now I believe you're
15 not asking about category management; you're talking, I
16 think, about the statutory requirement from a couple of
17 years ago. And there's a FAR case on that. I was
18 going to mention that in the third bucket, and I
19 apologize, I feel like I may be going over my time, but
20 just to kind of quickly touch on that, there is --
21 there was legislation that talked about receiving
22 credit for lower-tier subcontracting awards to small
23 businesses, and there's, I believe, a proposed rule
24 that should be coming out, hopefully within weeks, if
25 not sooner, that addresses that issue.

1 And while we're on the issue of regulations,
2 just for your awareness, we should hopefully be issuing
3 in very short order a regulatory coverage to increase
4 the simplified acquisition threshold, that's from \$150-
5 to \$250,000. And also a final rule should be coming
6 out shortly completing the rulemaking process on the
7 set-asides under multiple-award contracts. That goes
8 back to authority that originally was authorized
9 through the Small Business Jobs Act, and also a
10 rulemaking -- a proposed rule that addresses the
11 applicability of small business regulations outside the
12 United States. And this is a further implementation of
13 SBA guidance and addresses, you know, and clarifies the
14 use of set-asides for overseas work.

15 And then the last thing I just want to mention
16 very quickly, if I may, is on the legislative front.
17 On April 30th, we issued -- OMB, that is -- transmitted
18 to the Hill a set of acquisition proposals for
19 consideration in the National Defense Authorization
20 Act. And I wanted to bring your attention -- I think
21 there were six of them that were transmitted. The one
22 I wanted to flag in particular was a proposal to
23 essentially transform the statutory framework that OFPP
24 uses for conducting tests of new and better ways of
25 doing business with the Federal Government.

1 In our opinion, that authority has largely
2 remained unchanged in the 40-plus years that OFPP has
3 been in existence, and to address this shortcoming, the
4 proposal would establish an acquisition modernization
5 test board to accelerate work on contemporary
6 acquisition state through testing, feedback, retesting,
7 and scaling. And it would also authorize tailored
8 pilot programs involving waivers of acquisition laws on
9 an as-needed basis to evaluate how changing the
10 statutory requirement might facilitate more efficient
11 achievement of the purpose underlying the law.

12 The goal is not to have broad waivers. The
13 goal is to as we identify better ways of doing business
14 to be able to, one, create greater awareness amongst
15 the agencies and their contractors that are using
16 these, to gather information in a more disciplined
17 manner, so where things are working, we're able to, you
18 know, organize around them and to scale.

19 So one example. We've talked, I think,
20 previously at meetings about the 809 panel -- Section
21 809 panel. Had lots of good luminaries on acquisition,
22 and then made many bold recommendations. I think in
23 some cases, there seems to be maybe some hesitation or
24 question about is there enough information out there to
25 move forward with their proposal. The one that I think

1 has gotten, perhaps, the most press individually was
2 the idea of creating a new category of spend for what
3 we call readily available products and services in the
4 marketplace.

5 And I'm oversimplifying, but if you read the
6 proposal, it appears to be suggesting raising the
7 micropurchase threshold to \$15 million. It's not
8 exactly that, but it is -- and to give credit to what
9 they're trying to get at is they're saying that there
10 are classes of stuff out there that's been very market-
11 tested, where there are lots of, you know, robust
12 participation, where maybe we can use technology and
13 smarter business practices to bring competition to the
14 desktop of our workforce rather than having to follow
15 some of the procedures that have been in place decades
16 ago when those opportunities weren't there.

17 I think the concern that's been raised is
18 that, you know, the proposal itself, I don't believe,
19 you know, stratifies within that very broad area, \$15
20 million, you know, what that spend looks like. So in
21 some cases, there may be tons of competition; in other
22 cases, there may be very little. And following kind of
23 a process that puts the discretion into a contracting
24 officer's hands, while not necessarily intended, it
25 could have an unintended consequence, for example, of

1 hurting the -- or potentially hurting the industrial
2 base.

3 So our thinking, and it isn't geared around
4 that in particular, but it just recognizes that
5 oftentimes today, because it's so complicated to get a
6 waiver of law through Congress, that takes oftentimes
7 years and, you know, we have people thinking of ideas
8 in real time, if we had a program that was organized
9 and had lots of transparency and lots of accountability
10 in talking about the purpose and what you want to
11 achieve, and then telling the public what you did and
12 you do things in little bites, we could actually start
13 drilling down on a proposal like this and saying, in
14 this space, it looks like we can do, you know,
15 something much more streamlined. And whether it's up
16 to \$15 million or not, I don't know, but have that
17 conversation.

18 And by the way, I believe they also had a
19 recommendation about how to deal with small businesses,
20 which I think was creating a preference. And, again,
21 that's something that obviously is of great sensitivity
22 to this community. I can't answer the question about
23 what makes or doesn't make sense, but being able to do
24 these things in little pieces gives us the ability to
25 test something and see if we have something that works

1 and scale it in a slower manner so that the decisions,
2 when we're ready to go government-wide, we have the
3 evidence, right? The Government has the evidence;
4 Congress has the evidence; and hopefully the interested
5 stakeholders have the evidence as well.

6 MR. PHIPPS: Matthew, is this the Amazon
7 portion of having a system that GSA was going to create
8 to have a portal to utilize this kind of simplified
9 purchasing? Is that what you're referring to? Is that
10 the same --

11 MR. BLUM: No, actually -- no. The readily
12 available proposal of the 809 panel I would argue was
13 much broader -- much, much, much, much, much, much
14 broader -- because that's up to \$15 million, and it
15 includes services.

16 It was essentially a reimagination of how we
17 currently buy commercial off-the-shelf items, COTS,
18 whereas what the 846, what you were calling the Amazon
19 proposal, is simply up to the SAT and figuring out how
20 to take advantage of online marketplaces that exist so
21 that we -- the theory is we can buy from all the third-
22 party services that sell on commercial platforms in the
23 same manner as they sell to their commercial customers.
24 Again, that's up to \$250,000. And we are statutorily
25 responsible for working with GSA on this, and we

1 actually are only focusing on up to the micropurchase
2 threshold so, again, we can do it in chunks, learn a
3 little, understand, and then build it out.

4 MR. PHIPPS: So have you looked at DOD? DOD
5 has several programs, experimental acquisition --

6 MR. BLUM: Yes.

7 MR. PHIPPS: -- the Air Force is using.

8 MR. BLUM: Yes.

9 MR. PHIPPS: Rapidly equipping the force.

10 MR. BLUM: Yes.

11 MR. PHIPPS: And they have some of that
12 authority already.

13 MR. BLUM: Yes.

14 MR. PHIPPS: Have you looked at -- are there
15 statistics on that, because this is something we've
16 been discussing because there's a lot of people now
17 doing FOIA to find out, hey, all of a sudden, there's
18 billions of dollars going through these vehicles, and
19 what does that money look like, because that's not
20 being reported.

21 MR. BLUM: Right. So, I mean, broadly
22 speaking, one of our goals in setting up this test
23 board is to have an infrastructure so that we can bring
24 these various pockets of activity together, right? And
25 if I may -- and, again, I apologize I'm going a little

1 long here -- you know, we're not trying to recreate the
2 FAR Council.

3 One of the things that OMB, I think, does well
4 because of our statutory position in the Government is
5 bring together agencies and try to come up with an
6 appropriate whole of government solutions. Well, in
7 the context of regulatory development, it's a pretty --
8 it looks like a pyramid, you know, where you have the
9 FAR Council and OMB at the top of that pyramid, and
10 it's pretty tightly controlled, right?

11 There's a very clear deviation process, and it
12 makes a lot of sense because those are our ultimate
13 guardrails, and we need to make sure if people are
14 going to go outside of those and break those, there can
15 be bad consequences. One of our challenges here --
16 it's actually less about the legislation. You know, we
17 can set up -- we could probably set up a test board --
18 I'm sure we can -- without Congress, but the idea is,
19 you know, what does that board actually look like,
20 because you have to give autonomy to individual
21 agencies to be able to continue to experiment.

22 If we try to control that centrally I think it
23 will hurt, you know -- hurt that. And as long as
24 they're doing -- going in little increments, we should
25 be able to control the downside risk. But all of that

1 said, I think it would be good for the Government, I
2 think it would be good for industry, and in the good
3 government associations that are on this group and
4 elsewhere that have awareness of what's going on so you
5 don't learn about it by accident; there's some way of
6 sharing this information so that everybody can kind of
7 weigh in, you know, as people are experimenting and we
8 can figure out more rapidly as a community what makes
9 sense and where we should be putting our investments.

10 MR. PHIPPS: Do you have a working group
11 that's doing this?

12 MR. BLUM: So we put up the legislation at the
13 end of April. We do have acquisition innovation
14 advocates, and they're focused on -- again, on
15 acquisition. And that council was created in 2016, so
16 these are individuals at agencies that are doing some
17 thinking with us. They would probably have a pretty
18 prominent role on the board, but the other pieces of
19 what I was describing are not in place, but we do have
20 people that are at least sharing, you know, what
21 they're doing.

22 We had the Air Force give us a briefing on --
23 I forgot what it was called. And I don't think it was
24 the one you just did, but it was --

25 MR. PHIPPS: Was it Works?

1 MR. BLUM: It was something like that that
2 they did in January --

3 MR. PHIPPS: Or new --

4 MR. BLUM: -- and it was something where they
5 were able to basically bring people in and make initial
6 awards the same day or somewhere very close. And I'm
7 happy to get --

8 MR. PHIPPS: So from technology --

9 MR. BLUM: Yes, yes.

10 MR. PHIPPS: -- and that's part of the 809
11 panel, I think.

12 MS. LEWIS: Where can we go to get more
13 information about this proposed rule before it becomes
14 --

15 MR. KURTZ: Yeah, Matthew, so I think at this
16 point there's a lot of interest, so if you could send
17 us the information --

18 MR. BLUM: Yes.

19 MR. KURTZ: -- the new OMB and any information
20 on how they could get to this --

21 MR. BLUM: Yep.

22 MR. KURTZ: -- we'll definitely send it out to
23 committee members, because it sounds like we really
24 need to dig into this --

25 MR. BLUM: Yes.

1 MR. KURTZ: -- and kind of run it over a
2 little bit.

3 MR. BLUM: Yep.

4 MR. KURTZ: So we'll turn it back over to the
5 Chair.

6 MS. PEREZ-WILHITE: Good afternoon once again.
7 I'm Fran Perez-Wilhite with the North Carolina Military
8 Business Center. Now, the NCMBC is a state-funded
9 team. We help existing businesses win federal
10 contracts, and these businesses are mostly veteran-
11 owned, and they're not only from North Carolina,
12 they're from a lot of states across the nation, as far
13 as Arizona even, all the way up to Maine and down to
14 Florida. All our services are free, so as you can
15 imagine, we have a lot of clients.

16 And we help basically to identify federal
17 opportunities, and we make sure that these companies
18 meet the prime vendors and also meet the major
19 decision-makers from the federal agencies, many of
20 which that are here on this Task Force. One of the
21 ways that we do this, we have events, and they are
22 business-development events, not just networking.

23 And I handed out some cards to those that are
24 in attendance today. This is next week's event, the
25 medical, biomedical, and biodefense support to the

1 warfighter symposium. It's in Chapel Hill. And I'd
2 like to thank a lot of people that are in attendance
3 today. I'd like to thank, once again, the VA. They're
4 sending VA OSDBU, VA contracting, and Veterans Health
5 Administration are going to be there and having their
6 own separate sessions each to help our companies.

7 DOD is going to be there again; U.S. MEDCOM;
8 USASOC; the Second Marine Division. We also have
9 Womack Army Medical Center from Fort Bragg coming; U.S.
10 Army Medical Research; and a lot more agencies. Feel
11 free to join us. And most of these agencies are going
12 to be going over the upcoming business forecast and
13 projects, which our companies need to know about.

14 We're teaming up soon with NAVFAC. We're
15 collaborating to do an industry day together. The date
16 is going to be determined, and that's going to be in
17 Charlotte, North Carolina.

18 Also, in October, in Wilmington, North
19 Carolina, we're going to have our 12th annual Federal
20 Construction Summit. We limit that every year to 1,000
21 attendees. We want to make sure that all the companies
22 get to talk to the federal agencies and prime vendors
23 that they want to, so we cap that. And thanks again to
24 a lot of the agencies in this room that are going to be
25 there, especially VA and DOD.

1 I look forward to collaborating with all of
2 you here on this Task Force. If you have any
3 questions, feel free to give me a call.

4 MR. GREEN: Great. I'll turn it over to Will.

5 MR. HUBBARD: Hey, everybody. Once again,
6 Will Hubbard with Student Veterans of America. I
7 appreciate you having me here today. I've been not
8 here in person because I was in Afghanistan for the
9 last seven months, so a little hard to make it out to
10 these but, I'm glad to be here in person finally.

11 Just a couple things that I wanted to share.
12 Coming in January of 2020, we will have our annual
13 national conference. I just wanted to flag that for
14 everybody in advance. It's actually the largest
15 gathering of post-9/11 veterans in the country, and
16 that's largely because the first stop that the majority
17 of veterans make when they exit the service is to go to
18 school. It's going to be in L.A. this year at L.A.
19 Live, and that's January 3rd through the 5th.

20 We actually have up until Monday, our call-
21 for-proposal process is still open if anybody would
22 like to present at the conference, we encourage
23 particularly many folks around the table to do that.
24 Some of you already have, and so thank you for that,
25 but if you were considering making a last-minute push,

1 we encourage it.

2 As a separate note, if you'd like to table at
3 the conference or have a presence, consider that this
4 is the up-and-coming leaders of the nation and I would
5 like to get you all in front of them if possible, so
6 something to consider there.

7 Aside from that, I wanted to share that some
8 of the research we've been doing over the last couple
9 of years, I wanted to flag for the fact that the number
10 one major continues to be business administration,
11 which, interestingly, with the 75th anniversary of the
12 GI Bill coming up not too far from now, just a small
13 bit of history, so the top three majors for the
14 original GI Bill, the Service Members Readjustment Act,
15 in 1944, the top three majors were business, STEM, and
16 health-related fields. And, coincidentally, today
17 they're the exact same three, so it's not a surprise to
18 us, but it's certainly a point of interest.

19 Other than that, if anybody has any questions,
20 we look forward to answering them.

21 MR. GREEN: Will, this is Tim. Do you have
22 any events planned for the 75th anniversary?

23 MR. HUBBARD: We do. We actually just did an
24 event with the Secretary of VA at George Washington
25 University. And then the 19th, we're doing an event on

1 the Hill with a handful of members and others, so if
2 anybody would like to connect about that, we would
3 definitely encourage you to touch base with me and we
4 can get you hooked up.

5 MR. GREEN: Great. We have our proposal in.
6 I think Stan submitted that, and Larry will be
7 participating in your conference in January. I went
8 two years ago, a great event. I highly recommend it.
9 Motivational and inspirational, so appreciate that.

10 MR. PHIPPS: Quick question, Will. Mike
11 Phipps. Are you going to be -- do you know about the
12 committee hearing tomorrow?

13 MR. HUBBARD: I've heard rumblings.

14 MR. PHIPPS: So you're welcome to come. It's
15 all veteran businesses and VSOs. It's from 9:00 to
16 approximately 3:00. We would love to have you. I'm
17 sure we can make room to let you give a brief, and
18 especially the studies that you do, those are something
19 our committee really just thrives on because getting
20 that kind of data as opposed to anecdotal data really
21 helps us make decisions on what our recommendations for
22 legislative change are going to be, and I think there
23 are probably some things that you, just with what you
24 said, we don't even know about that we would love to
25 hear about. So I thank you very much.

1 MR. GREEN: Okay, we're at a point we can take
2 a break or we can power through and end a little early?
3 Anybody need a break?

4 MR. WYNN: Can I ask --

5 MR. GREEN: Absolutely.

6 MR. WYNN: Good afternoon. Joe Wynn, VetForce
7 vets group. Just a quick question. You know, there
8 was a comment made about the 809 -- DOD 809 Panel.
9 Just wanted to follow up with where are things with
10 regard to the recommendation that was made to eliminate
11 small business set-asides. Got any feedback on that?
12 Because we actually -- organizations, many of us, put
13 together a letter adamantly opposed to that
14 recommendation. I'm wondering, did anybody have any
15 feedback on that.

16 MR. BLUM: I don't want to speak on DOD's
17 behalf, but after the 809 Panel submitted its
18 recommendations, including -- and that may have been
19 tied to this "readily available" thing I had mentioned,
20 because that's where I think they were going to convert
21 the set-asides into something like a 5 percent price
22 preference if I recall correctly.

23 Anyway, the panel then issued kind of a 30-
24 page roadmap that just summarized, because it was like
25 3,000 pages of stuff, so that was hard to navigate.

1 And then the Department transmitted a letter to the
2 Hill with its, like, initial reactions to each of the
3 proposals. And at least to the extent that they were
4 talking about this in the context of "readily
5 available," they were pretty clear. They said we need
6 more information and more study. So there was no
7 endorsement from the Department that I'm aware of.

8 And, you know, OMB has not weighed in or made
9 comment on the 809 Panel recommendations, other than to
10 indicate that we would like to see some testing
11 process, not specific to any individual proposal. And
12 then also there were two proposals related to the Cost
13 Accounting Standards Board, but I don't think they're
14 relevant here.

15 So I don't know that -- I'm not aware that any
16 other agency -- and SBA obviously can speak -- I don't
17 recall them speaking to that.

18 MR. PHIPPS: This is Michael Phipps. I just
19 want to bring this up because it's something we flagged
20 about six months ago or maybe eight months ago.
21 There's a part of the 809 Panel that could be -- could
22 potentially almost dissolve the SBA or really cut out
23 half of what the SBA even would do. And that -- it's
24 kind of like a -- it's just a shim in the door where
25 DOD is saying for innovative products, we do not have

1 to follow FAR, right? That was a recommendation of the
2 809 Panel.

3 And the rumors that we hear through all of
4 our networking is that DOD is trying to get out of
5 following small business FAR to some degree and
6 maybe just if this program would expand, right, it
7 wouldn't -- it would give -- I mean, that's the biggest
8 acquisition player that's out in the government.
9 Really, it would take half of what SBA is worth and
10 kind of set it to the side, and some people were saying
11 that that could even dissolve the SBA if you follow
12 certain logic chains.

13 Of course, you know, that's a lot of
14 grandstanding; however, it's something we just want to
15 keep an eye on because if DOD is already thinking about
16 circumventing small business acquisition and the FAR
17 for these programs, then -- and it's to help the
18 programs initially -- but it could have a different
19 effect.

20 And I just want -- I said it the last -- the
21 first time I read the panel and we went through it,
22 there was a very small blurb, I brought it up, I just
23 want to make sure it's on the record now because in two
24 years, when we're going back and reading through all of
25 our meeting notes and we see something happened,

1 everybody's kind of aware of it and we're tracking it.

2 That's it. Thanks.

3 MR. WYNN: Okay, thanks.

4 MR. GREEN: Okay, did anybody need a break, or
5 do you want to power through for a little bit? Okay.

6 So I wanted to talk a little bit about our
7 report or kind of the lack of report that we haven't
8 been submitted. So what I asked -- it's easy for me
9 since I've kind of just walked into this role, but I
10 asked Amy and my staff to put together a draft report
11 from the last report, which I think was closed out in
12 FY15, if I remember right, and try to go back and
13 generate a report of the activity -- a summary of the
14 activity, a summary of any kind of recommendations,
15 updates, that kind of thing, and then propose by early
16 August to have a draft report to share with the Task
17 Force to look at and make their inputs into it. So I
18 just wanted to have -- if we have any -- wanted to have
19 any kind of discussion about that.

20 Amy did you want to add anything? Stan, on
21 that?

22 MS. GARCIA: Not at this time. I think that
23 we can expect to have something come out maybe in about
24 a month. I think we could -- it would be a reasonable
25 time frame to have a pretty solid draft, yeah. And if

1 we wanted to consider maybe a quick call, kind of a
2 subcommittee or a working group kind of off-the-record
3 call, just to explain the process and the timelines and
4 the expectations, that might be helpful, too.

5 MR. GREEN: Yeah. Ideally, part of the reason
6 I put the statute in the functions and responsibilities
7 in here is we are required to do a report 30 days after
8 the end of the fiscal year, so we're a little late on
9 that, but we would like to get it caught up and -- as
10 we move forward, and then hopefully streamline the
11 process and we can get an annual report out as
12 required. I know in September we're looking at having
13 a meeting. The first Wednesday is the 4th. That's
14 right after Labor Day, so we're proposing -- and I
15 don't know if this is a good day or not -- September
16 11th, the following week. I know September 11th is a
17 historic day, but if there's any reason not to have it
18 on that day, please let me know, or reach out to Stan
19 or Amy or myself or Cheryl and let us know, or you can
20 voice your opinion now if you have anything.

21 So any thoughts on any of that? Trying to get
22 a report up to speed, trying to get our next meeting
23 and the plan for that?

24 (No response.)

25 MR. GREEN: Okay, that was easy. Then do you

1 have any more comments before we open up for public
2 comments?

3 (No response.)

4 MR. GREEN: Okay, any comments, any open
5 comments that anybody would like to make for the
6 record?

7 MR. WYNN: Just a quick one.

8 MR. GREEN: We got plenty of time.

9 MR. WYNN: Joe Wynn again. Just trying to get
10 an update on the -- I know you were just talking about
11 setting up for the next meeting. Do you have an
12 updated roster now of the members of the Task Force
13 and, you know, with kind of the bios built for
14 nonagency organizations represented?

15 MR. GREEN: That's correct. I think there's a
16 couple of vacancies on our Task Force, and I asked
17 staff to look at filling those, getting
18 recommendations. So we're looking at that. We do have
19 rosters I believe we can share on both this committee
20 and the committee tomorrow, so we can share that as
21 well, but there is a plan to fill a couple of the
22 vacancies that we have on this Task Force right now.

23 MR. WYNN: Great. And, also, there have been
24 some outside discussion, I guess, about extending, you
25 know, the life of this particular Task Force. Any

1 discussion on that?

2 MR. GREEN: Well --

3 MR. WYNN: At one point, there was a sunset
4 provision or something, it would come to an end unless
5 it was extended.

6 MR. GREEN: Well, I think they have to renew
7 to charter every two years. It is in legislation,
8 that's why I brought it up. I don't think we can end
9 it without the administrator pushing for a legislative
10 ending to it, so that may be something we take in the
11 future, but I don't think we'll take it up for action
12 until we get an administrator within --

13 MR. WYNN: Deputy administrator?

14 MR. GREEN: -- yeah, well, yeah, because
15 supposedly they're going to be looking at going through
16 -- getting an SBA administrator looked at soon. So
17 once they're in place and have got running, we may --
18 that may -- that could be -- potentially combine it
19 with the other committee, but I don't know.

20 MR. WYNN: And, yeah, you just got over there.

21 MR. GREEN: Yeah.

22 MR. WYNN: What, a couple of weeks now?

23 MR. GREEN: A couple of weeks, yeah, so I'm
24 happy to be here. Again, Larry is really -- wasn't
25 happy he wasn't able to be here because, you know,

1 Larry likes this meeting, he likes the group and the
2 great work you're doing, so we would like to get it
3 documented, though, and put into the record so we can
4 get, you know, a report on the record which would be
5 something we'd like to get caught up on.

6 MR. WYNN: Yeah, the report from last year,
7 you're saying that's still not been published.

8 MR. GREEN: Correct, it has not been public,
9 so we're going to try to consolidate a report and get
10 it out this year, so we're --

11 MR. WYNN: One other thing I was going to ask
12 about, at one point in this -- excuse me. When this
13 committee started, it was interagencies like senior-
14 level officials from different agencies representing
15 those particular agencies. Has that changed now?

16 MR. GREEN: That has not changed. Nothing has
17 changed in the requirement. The level of participation
18 has changed, and I think we're going to need SBA
19 leadership on that to engage in that. That would be
20 part of the discussion when we get a -- right now, we
21 have an acting administrator, very supportive of
22 veterans' programs, but until we get a confirmed
23 administrator, I think we're going to be -- it's going
24 to be a little bit of a challenge to get that level
25 back to this.

1 So if we're going to do this Task Force, I
2 think we need to do it the right way, at the right
3 level, and we're looking at all those issues and I'm
4 relooking at them with Larry and acting administrator,
5 and then we will take it up for action when we get a
6 new administrator onboard for SBA.

7 MR. WYNN: Okay, thanks.

8 MR. GREEN: That's all I can promise for now,
9 so...

10 One other topic that some people have
11 discussed, if we have the meeting, is it more
12 convenient -- we could potentially do this in person
13 every other one. We could do one call-in, one in-
14 person. We have flexibility to do that. I know
15 sometimes it's hard to get into SBA, hard to get over
16 here. Any thoughts on that, any opinion if we'd want
17 to do alternating one with a call-in? You know, we
18 have technology that seems to somewhat be working. Any
19 opinions on that?

20 MR. PHIPPS: This is Michael Phipps. I have a
21 lot of opinions on this one. So this coordinates, we
22 changed this whole schedule so this meeting occurs the
23 day before the Advisory Committee on Veteran Business
24 Affairs, so we can brief the Advisory Committee
25 beforehand, because it used to be flipped, and so we'd

1 have to wait four months before we got a brief.

2 The in-person meeting, to me, changes
3 everything. To be able to see everybody's smiling face
4 and have that face-to-face discussion I think is
5 completely lost when you do a teleconference. And at
6 our committee, even the people that really have a
7 strong opinion on things, when they're not physically
8 there, it's just -- they don't -- you don't get a
9 powerful opinion and you don't get that -- to be able
10 to talk through things sometimes that you can get just
11 from sitting around, and the interactions that occur
12 before, during breaks, after the meeting is also very
13 important to just moving certain agenda items to what
14 happens in between meetings. So that's just -- this is
15 my second term on the Advisory Committee, and that's
16 just what I've seen. Thank you.

17 MR. GREEN: Yeah, and I don't have a strong
18 opinion because we're -- it's easy for us to get
19 here because we're here. So I just kind of wanted to
20 hear -- we're trying to make it as, you know, painless
21 and productive as possible.

22 So any other thoughts?

23 MS. PEREZ-WILHITE: I'd like to also say, even
24 though I come a long way, I think in-person is best.
25 The conversations that we have and the sidebars really

1 make a difference. The strength of a lot of boards are
2 measured by the conversations that are unofficial, so
3 I'd like to continue in-person if possible.

4 MR. GREEN: Sounds right now, most people are
5 in favor of keeping the in-person meeting, so we'll
6 continue with that. Is there any other topics anybody
7 would like to bring up? Second thoughts? Something
8 you want to finish up on?

9 (No response.)

10 MR. GREEN: So Stan was reminding me that I'm
11 the DFO, according to the policy, which I used to be
12 the designated federal officer at the Advisory
13 Committee over at the Department of Labor, and I was so
14 happy when I got to end that reign, but now it looks
15 like I'm back involved, but Larry will be chair,
16 chairing the next meeting, if we can't get the acting
17 administrator in -- you know, his schedule allows, so
18 we'll continue with that. Unless there's any other
19 topics, I suggest we adjourn early and then start those
20 sidebar discussions and continue on.

21 Maybe in the future we could look at getting
22 other offices from -- I know we've probably done this
23 in the past, but other offices from SBA to come down
24 and give updates as well. So if you have any thoughts
25 on that, please let us know if there's an office within

1 SBA that you haven't heard from for a while if you'd
2 like to come and speak.

3 We just got a new -- I don't know if they call
4 them a director -- of 8(a) loans, so that -- I can't
5 remember her name now. They just walked in the door,
6 so they're moving forward on strengthening that
7 program. And so there's a lot of things going on here
8 at SBA, so if you want some more information from
9 another office within SBA, please reach out and we'll
10 ask -- we'll invite them to the next task force
11 meeting, and I suppose some of you will be at the
12 meeting tomorrow.

13 So thank you for your participation. I'll
14 adjourn the meeting unless there's any other comments?

15 (No response.)

16 MR. GREEN: Okay, meeting adjourned. Thank
17 you.

18 (Whereupon, at 2:25 p.m., the meeting was
19 adjourned.)

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