June 1, 2010

Honorable Stephanie Herseth Sandlin, Chair
Subcommittee on Economic Opportunity
Committee on Veterans' Affairs
335 Cannon House Office Building
Washington, DC 20515

Dear Chair Herseth Sandlin:

Thank you for allowing The American Legion to participate in the Subcommittee on The Department of Veterans Affairs' Center for Veterans Enterprise on March 11, 2010. I respectfully submit the following in response to your additional questions:

1. **In your testimony you refer to the challenges faced by members of the National Guard and Reserves. In your estimation how many have businesses and how many currently do business with the Federal government.**

   SBA, DOD and CBO Research and reports indicate that between 6 and 7 percent of the Reserve component members are self employed or small business owners. 6 percent of the 860,000 Ready Reserve equates to 51,600 veteran business owners. According to SBA and GSA representatives, there is currently "no way to know" how many Reservists do business with the Federal government. Neither CCR nor FPDSNG request Reserve or Guard status. Also, the Community Reinvestment Act (CRA) does not inquire about veterans, or Reservist or military member/family status for loans.

2. **How can the government encourage qualified entrepreneurs to start and expand their small businesses**?

   The best method for the government to encourage qualified entrepreneurs is to start and expand their small businesses by ensuring there is a robust network of entrepreneur training and business mentoring networks in place solely dedicated to helping veterans go through the exploratory and implementation stages in starting and/or expanding their businesses. Ultimately, veteran business owner's success or failure will rest primarily on his/her abilities, energies and commitments.

3. **Are veterans around the country looking for technical assistance from the Center for Veterans Enterprise or are they concentrated in the DC metro area**?

   Other than presentations at public events, legion members from around the country have reported that they are seeking guidance from CVE that is more specific to contracting opportunities and processes internal to VA. It is a challenge for Federal employees to (try to) provide distanced business counseling to entrepreneurs, as most Federal employees have not been successful entrepreneurs themselves. Veterans should be referred to SBA or other State and local small business development assistance programs that operate in the markets where the veteran lives. Uninformed or bad business advice can be very detrimental to any entrepreneur.

   CVE should also take on the role of encouraging the development of a robust Mentor-Protégé program. For example, a program that includes providing veteran companies with sound business techniques, such as the maintenance of organizational stability, financial resources, and bonding requirements.

4. **In your testimony you suggest that the Department of Veterans and the Small Business Administration develop a partnership to assist veterans who are interested in participating in Federal procurement**.

   VA and DOD can and should determine veteran status of any veteran registering in CCR. SBA should provide the business counseling, training, financing and (external to VA) government procurement programs as that are their authority and responsibility. The issue for veteran's entrepreneurship is a lack of adequate resources allocation to the SBA veterans programs. SBA and VA should develop a local collaborative relationship so VA can refer veterans to SBA services in the local area. Congress could push for that collaboration, and provide adequate resources to SBA Veterans to support a nationwide collaborative service delivery system.

5. **How should the government determine if a service member is qualified?**

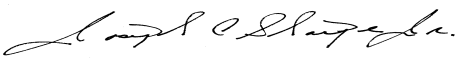
   Veterans and Reserve component members and TAP eligible service members should be eligible for veteran specific small business support programs. A goal should be established for veteran and reservist owned small businesses in the Federal marketplace, and Congress should consider the inclusion of veterans/Reservist/families in the CRA. Congress could also fund the still authorized Veterans direct loan program from SBA, and have SBA coordinate outreach and verification of that program with VA. Direct loan program could also be outsourced as not needing to hired huge numbers of employees.

6. **How can VA's website be improved to be more helpful to veterans?**

   VA's website should more easily direct veterans to local VISN resources that would help veterans who are looking to do business with their local VA hospital or clinic.

Thank you for your continued commitment to America's veterans and their families

Sincerely
Joseph C. Sharpe, Jr., Director



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