

United States Senate

WASHINGTON, DC 20510

June 4, 2014

The Honorable Maria Cantwell
Chairman
Committee on Small Business and
Entrepreneurship
United States Senate
428 Russell Senate Office Building
Washington, DC 20510-6200

The Honorable James Risch
Ranking Member
Committee on Small Business and
Entrepreneurship
United States Senate
428 Russell Senate Office Building
Washington, DC 20510-6200

Dear Chairman Cantwell and Ranking Member Risch,

Chairman Cantwell and Ranking Member Risch, the subject of today's hearing is an important one not just to Maine and North Carolina's many veteran small business owners and entrepreneurs, but to veterans, military personnel and their families across the nation. As the Committee reviews existing policies and new programs to provide support to America's veteran entrepreneurs, we urge you to consider and report favorably on S. 2334, the Improving Opportunities for Service-Disabled Veteran-Owned Small Businesses Act of 2014. We strongly believe that the simplified processes established by this legislation will provide clear-cut rules and regulations that do not hinder a business's ability to prosper, ensuring that our veterans don't have to fight massive bureaucracy after returning home from war.

We owe it to our service-disabled veteran owners to give them the opportunity to thrive not just in the private marketplace, but in the federal marketplace as well. The Veterans Entrepreneurship and Small Business Development Act of 1999 (Public Law 106-50) established an annual government-wide goal of awarding 3 percent of federal agencies' contracting dollars to businesses owned by service-disabled veterans. The federal target demands that the U.S. government act as an effective and permanent business partner for our service-disabled veterans, and yet a confusing set of differences between veterans contracting programs at the Department of Veterans Affairs (VA) and the U.S. Small Business Administration (SBA) actively contributes to the U.S. government struggling to reach the 3% target year after year¹.

The VA and SBA utilize differing definitions of a SDVOSB, which often results in inconsistent decisions about which firms qualify for contracts. Additionally, the VA allows surviving spouses of 100 percent service disabled veterans to retain SDVOSB status for up to ten years while the SBA does not, creating uncertainty for the families of service-disabled veterans.

¹ In 2009, the percentage of federal contracting dollars awarded to service-disabled veteran-owned small businesses was 1.97%; in 2010, the percentage was 2.49%; in 2011, the percentage was 2.65%; and in 2012, the prime contracting percentage was 3.03% while the subprime contracting percentage was 1.80%.

S. 2334 would make it easier for service-disabled veterans to do business with the federal government by eliminating confusing differences between veterans contracting programs at the Department of Veterans Affairs and the U.S. Small Business Administration. The bill would:

- Unify the definition of a SDVOSB between the SBA and VA;
- Allow surviving spouses of 100 percent disabled veterans or who died as a result of a service connected disability to retain SDVOSB status for ten years for both programs;
- Allow surviving spouses of disabled veterans rated less than 100 percent or who did not die as a result of a service connected disability to retain SDVOSB status for three years;
- Request that the GAO conduct a study to evaluate whether the SBA or the VA could or should assume responsibility for a government-wide verification program for SDVOSBs.


A similar bill in the House, H.R. 2882, recently passed as part of H.R. 4435, the fiscal year 2015 National Defense Authorization Act. To start helping our service-disabled veteran business owners now, we urge that the Committee take up and pass S. 2334 so that we may reconcile the two bills and send legislation to President's desk for his signature as soon as possible.

We commend your efforts to improve and advance programs aimed at supporting our veteran small business owners and entrepreneurs, and we thank Chairman Cantwell and Ranking Member Risch for their continued attention to this important issue.

Sincerely,



RICHARD BURR
United States Senator



ANGUS S. KING, JR.
United States Senator