

**Statement of**

**Charles Henry  
President/CEO of the National Veterans Business Development  
Corporation**

**Before the  
Subcommittee on Benefits  
Committee on Veterans Affairs  
United States House of Representatives**

**With Respect To**

***The Veterans Entrepreneurship Act of Act of 2003 (H.R. 1460), the  
Veterans Federal Procurement Opportunity Act of 2003 (H.R. 1712), and  
the Veterans Earn and Learn Act (H.R. 1716)***

**Washington, D.C.**

**April 30, 2003**

Mr. Chairman, Ranking Member and Members of the Subcommittee, thank you for holding this hearing and for the opportunity to present our views on the following legislative proposals: *the Veterans Entrepreneurship Act of Act of 2003 (H.R. 1460), the Veterans Federal Procurement Opportunity Act of 2003 (H.R. 1712), and the Veterans Earn and Learn Act (H.R. 1716)*. The National Veterans Business Development Corporation (the Corporation) supports the majority of the provisions in these bills. However, we do have concerns. I will address them now, in greater detail.

### ***H.R. 1460 - The Veterans Entrepreneurship Act of Act of 2003***

We strongly support the provisions of H.R. 1460 and see this as a major step forward in providing Service-Disabled Veterans an opportunity for self-employment through the Veterans Affairs Vocational Rehabilitation Program. To do so will be good for Service-Disabled Veterans and our Nation's economy. The skills, training and motivation these individuals have gained through their service to our Nation make them well suited to become successful business owners. In this way, they'll serve our Country, twice. We would, however, like to see Congress expand this initiative to all Veterans through changes to GI educational benefit bills or some other suitable vehicle. All Veterans should have the opportunity to use their service related benefits to help advance their careers as independent business owners.

We support the concept of sole source or restricted competition procurements to Service-Disabled Veteran owned businesses. We believe this will help the dismal performance of Federal Agencies and prime contractors to identify and contract with reasonable, responsive and responsible Service-Disabled Veteran businesses. We also believe this provision should be extended to all qualified Veteran business owners as an entitlement and tribute to their self-less service to our Nation. We believe it would provide solid, tangible proof of the true value we put on the public service of our military members.

### ***H.R. 1712 - The Veterans Federal Procurement Opportunity Act of 2003***

We support H.R. 1712, in part. We have particular reservations concerning the portion on reauthorization of the National Veterans Business Development Corporation.

The \$1 million in funding in FY '05 and again in FY'06 is appreciated by the Corporation. Additional funding can greatly assist our programs to assist Veterans. We are creating local information and assistance centers, as required by PL 106-50 [Sec. 33(f)]. One million dollars will allow us to place community based veteran organizations in only ten U.S. cities, for one year. Alternatively, \$1 million dollars will allow us to provide entrepreneurial training to only 475 of our nation's 24 million Veterans. We want to do much more, and while we are actively seeking private funds for these efforts, we request the Government consider funding half our efforts in these key programs until private sources are identified. We believe \$6 million dollars for FY '04 and \$6 million for FY'06 is necessary to minimally meet the intent of the Veteran Entrepreneurial and Small Business Development Act of 1999.

The proposed legislation also saddles the Corporation with new reporting procedures that are directed by Sec. 3(g)(1)(2)(3) and (4). On the surface these requirements may seem benign but they set a precedent that runs counter to the independence and entrepreneurial spirit intended by the law and expected of the Corporation. The Congress has created a unique and daring public-private venture with the establishment of the Corporation. This experiment may well become the model for future congressional initiatives that combine worthwhile public-private efforts that provide necessary services to our taxpayers at great benefit to our Nation. The Corporation is not a federal agency. We agree that accountability must be maintained and that the successful business processes must be measurable. However, the process must also be reasonable and flexible and need not be dictated in great detail by public law. We currently provide the Congress and the President an Annual Report to ensure

they are well informed on our accomplishments in providing Veterans, including Service Disabled Veterans with opportunities to create and expand their business ventures. We, of course, also stand ready to report on any specific programmatic funds appropriated.

Another portion of the legislation in Sec. 3 extends the Advisory Committee on Veterans' Business Affairs to October 1, 2009 instead of the original date of termination of October 1, 2004, at which time their duties transfer to the Corporation. The extension is requested presumably due to the delayed appointment of their membership as per Sec. 203(h) of P.L. 106-50. While I believe this Committee, properly formed and appointed, can initially be of value to the Administrator of the SBA, we believe its powers and responsibilities should revert to the Corporation on October 1, 2004, consistent with the current dictates of P.L. 106-50, Sec. 203(h). By waiting until October 1, 2009, it potentially inhibits the efforts of both the Corporation and the Advisory Committee by setting up two organizations with nearly identical missions. It also creates duplicate work by requiring two annual reports to Congress and the President on virtually the same issues. Extending this Committee for six years before transferring its responsibilities is an inordinate amount of time when the Corporation can provide more unity of effort if the Committee's responsibilities transferred on 1 October 2004 as Congress originally intended.

This legislative proposal also provides a set aside for Veterans and Service-Disabled Veterans. Contracting activity between the Veterans' community and Federal Government and prime contractors remains a significant problem. P.L. 106-50 was established with the hopes of providing greater business opportunities for Veterans, including Service-Disabled Veterans who are small business owners. However, the three

percent contracting goal set by Congress has not provided any significant contracting activity for Veterans. The Corporation supports making the three percent goal a set-aside to allow contracting officers to better reach qualified, responsible, responsive Veteran business owners.

### **H.R. 1716 - *The Veterans Earn and Learn Act***

We support the *The Veterans Earn and Learn Act* (H.R. 1716) and the potential it has to improve the job opportunities for service members as they leave the military. I personally benefited from this sort of program by using my Veteran educational benefits while in the Service and I advocate for any initiative that reduces educational, certification or licensure barriers for our transitioning service members.

In closing, again, I want to thank the Chair, Ranking Member and the entire Subcommittee for their concern for our Veterans and Service Disabled Veterans.

## **Charles R. Henry, Major General, U.S. Army (Retired)**

Mr. Henry has been appointed CEO and President of the National Veterans Business Development Corporation, part of Public Law 106-50, created by Congress to assist veterans, including service-disabled veterans, in the formation and expansion of their businesses. The President of the United States appoints a nine-member board of directors, and the Secretaries of Defense and Veterans Affairs, as well as the Administrator of the Small Business Administration are, by law, ex-officio members of the board. The corporation's function is to be an entrepreneurial enterprise and to assist veteran-owned business to achieve success.

Chuck's strategic vision revolutionized Department of Defense acquisition and procurement. Chuck created the Defense Contract Management Command, combining contract administration activities conducting nearly a trillion dollars of transactions (\$780 billion) from the separate service operations into a single streamlined enterprise, which now has a worldwide mission with offices in over 35 countries. He also established the Army's Competition Advocate General's Office and served as the Senior Acquisitions Executive for the Defense Logistics Agency during Operations Desert Shield and Storm. As a battalion commander, he was the first to implement mixed-gender training at a training command. He is a Vietnam Veteran with 32 years of military service. He has been a leading innovator in the private sector as well, serving as President, then Chairman and CEO, of LFR Group; President, Allied Research Corporation Services, and as a Senior Consultant to Science Applications International Corporation. Chuck currently serves on the board of directors for the Procurement Roundtable, the Tennessee Apparel Corporation, Hunter Manufacturing Company, C.E. Gillman Company, and is Co-Chairman of the Department of Defense Clothing and Textile Board. Chuck is the author of *A General's Insight into Leadership and Management*. He is a graduate of the Army War College, the U.S. Army Command and General Staff College and Middle Tennessee State University. He holds J.D. and L.L.M. degrees from the Woodrow Wilson Law School and is licensed to practice law in Georgia and the District of Columbia.

## Statement of Disclosure

The National Veterans Business Development Corporation is currently in receipt of Federal funding at a total of \$10 million dollars (less OMB recessions) for FY 2000 through FY 2003 pursuant to Rule XI 2(k)(2) of the Rules of the U.S. House of Representatives.