

ASSESSING FEDERAL SMALL BUSINESS ASSISTANCE PROGRAMS FOR VETERANS AND RESERVISTS

STATEMENT OF
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BEFORE THE
COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP
UNITED STATES SENATE
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Good morning Senator Kerry, Senator Snowe and other distinguished members of the committee.

I'm Ann Yahner, President and majority owner of Penobscot Bay Media. This is a woman-owned, Service-disabled veteran-owned small business located on the magnificent coast of Maine. We are an IT company with strengths in Geographical Information Systems, Web Development, Interactive Distance Learning, and Film & Video. In addition to other contract vehicles we are one of the 43 prime contractors awarded the VETS GWAC—the only company awarded in New England. Our Vets GWAC partners, many of whom are veteran and disabled veterans come from all over the nation including the same states as 5 members of this committee.

Because of this government contract, I am confident that we can provide the benefits package our employees need and deserve, especially medical, dental and short term disability insurance. And because of this contract, we anticipate that our workforce could double in the next 12-18 months.

Senator Kerry, like you, I too served my country honorably in the Navy, and as it happens I served in Vietnam the same year you did. And, as you know, it was a very busy and difficult year, especially for this naive, idealistic 23 year old nurse.

Because my husband and I are veterans, we have started a company program to partner with and hire qualified veterans, including those from our Maine National Guard and Reservists when they return from Iraq and Afghanistan. Many of them, especially those in the Engineering Battalions have the background and skills that we can use in our GIS and spatially intelligent robotics areas. In conjunction with other IT companies in our area, we are working with the University of Maine to develop training and certification programs to align skill sets with current needs of information technology.

As it pertains to this hearing, I have canvassed many SDVO and Veteran-owned companies, and due to time constraints, I will identify the two greatest obstacles of doing business with the Federal government.

First: The Congress, led by this committee, needs to make SDVOs equal to 8(a) businesses by making it possible for a contracting officer to award sole-source contracts to qualified SDVOs on the same grounds as is currently permitted for 8(a) businesses. A contracting officer may make a sole-source, non-competitive award to any 8(a) business without completing any justification paperwork. He need only believe the 8(a) is capable of performing the work. In addition, an award to an 8(a) can not be protested. However, in the case of an SDVO, the contracting officer must investigate and determine there are no other SDVOs that claim they could do the work, otherwise a time consuming competition must be conducted. He must complete a Justification & Approval document, and consider the risk of potential protests of the award and take necessary precautions to ensure he can withstand such protests.

Second: Accountability. Mr. Chairman and committee members, I'm a very practical business woman. When I or my management team fail to achieve our business objectives, we don't expect to get a bonus or any accolades. Likewise, when the senior management team of any agency doing business with the Federal Government does not even come

close to meeting their 3% SDVO goals, they need to be held accountable and that accountability must have negative consequences, be it a fine or an entry in a performance evaluation. When there's no accountability and there is no enforcement of regulations that are in place, then it's just business as usual, and the SDVO set-aside program will continue to suffer.

In our opinion, if these two major points are not corrected, all the initiative, hard work, and support of the many Veterans groups, GSA and SBA will be for nothing, and a great opportunity for veterans and disabled veterans could be lost.

Penobscot Bay Media is like thousands of other small companies that are the backbone of my state and this nation's economy. We represent those small businesses owned by Service-disabled veterans. My understanding is that this program was put in place to help the veteran who chose to wear a uniform and was injured in the defense of this nation; it was to help small businesses grow, partner with other small businesses, hire more employees, provide them a reasonable salary and benefits package, bring Federal funds into our communities and increase economic development in our states. If you don't give Service-disabled veterans an equal playing field with other set-aside programs, none of this will happen and the program will not be successful.

The Service-disabled veteran deserves, at the very least, to have parity with the other set-aside programs. Unlike all the others, the disabled veteran set-aside is the only program that is earned. It is earned by long separations from our family, missing important life events, lost income from our business, and literally fighting and many times being injured in our service to our country. As one man said, "Veterans deserve consideration above and beyond anyone else in America."

Thank you very much for the opportunity to appear before you today. I will be happy to answer any questions that you might have to the best of my ability.