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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

June 30, 2005

Support Our Nation's Patriotic Small Businesses (S. 1014)

Dear Colleague:

As the July 4th recess draws near, we are reminded of the patriotic individuals who have fought to preserve and protect the values and freedoms that we hold dear. Today, with those values and freedoms in mind, I respectfully request that you consider cosponsoring S. 1014, the Supporting Our Patriotic Businesses Act. This legislation is targeted toward assisting our nation's veterans and the patriotic small businesses that employ them.

In recent years, our National Guard and Reservists have experienced significant increases in the length of time and the frequency with which they are called-up. Since the terrorist attacks of September 11th, more than 410,000 brave men and women in the National Guard and Reserve forces have been called-up to take part in current operations.

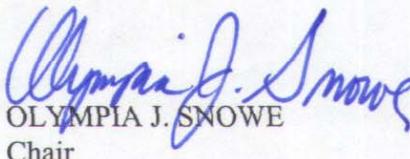
The majority of non-government employed Guard and Reserve members are either self-employed or work for small businesses. The pace and extent of Guard and Reserve call-ups have caused significant disruptions for small businesses, forcing many to go without their owners and key personnel for months, making it difficult to sustain a profitable business.

Our courageous veterans make an extraordinary sacrifice to answer the call of duty, leaving behind family and friends, jobs and businesses to serve our country, and jeopardizing their livelihood in the process. By assisting these businesses and the self-employed, we are helping address the concerns of our military personnel, improving their morale and positively affecting retention.

S. 1014 would increase assistance to all veteran entrepreneurs who have served our nation throughout the years with a particular focus on Guard members and Reservists called-up in our nation's defense. Some of the bill's key provisions include: authorizing increased appropriations for the Small Business Administration's (SBA) Office of Veteran Business Development; permanently extending the SBA's Advisory Committee on Veterans Business Affairs; assisting Guard and Reserve members who face continuing education requirements; allowing certain small businesses to extend their SBA program participation time limitations by the length of time that their owners' are called-up in defense of our nation; and measures to increase the likelihood that employers would be notified of a potential call-up in a timely manner. Attached to this Dear Colleague is a section-by-section summary of S. 1014, which describes the legislation in greater detail.

Thank you for your consideration of supporting and cosponsoring this legislation. To cosponsor, please contact Matt Walker on the Committee staff at 202-224-5175.

Sincerely,


OLYMPIA J. SNOWE
Chair

The Supporting Our Patriotic Businesses Act, S. 1014

Background: From September 2001 through November 2004, approximately 410,000 National Guard and Reserve personnel have been mobilized in support of current operations. Thirty-five percent of Guard and Reserve members work for small businesses or are self-employed, twenty-six percent work for large businesses, thirty-six percent work for the government (federal, state, or local) and the remainder work for non-profits. Therefore, the majority of non-government employed Guard and Reserve members are either self-employed, or work for small businesses. **As a result of call-ups, many small businesses have been forced to go without their owners and key personnel for months, and sometimes years, on end. The effects have been devastating to these patriotic small businesses.**

This Act will help stem the effects of Guard and Reservist call-ups on small businesses and better assist veterans and service-disabled veterans with their business needs.

Section 1.— Title, “The Supporting Our Patriotic Businesses Act.”

Section 2.— Findings

Section 3.— Authorizes increased appropriations for the Small Business Administration’s (SBA) Office of Veteran Business Development to \$2 million for FY 2006, \$2.1 million for FY 2007 and \$2.2 million for FY 2008.

Reasoning: The SBA’s Office of Veteran Business Development has made a concerted effort to reach out to small businesses affected by military deployments, but given the sheer number of those deployed, their resources have been stretched thin. In addition, the Office of Veterans Business Development is now required to broaden its delivery of services, as directed by Executive Order 13360, to provide procurement training programs for service-disabled veterans. This provision will allow the SBA’s Office of Veterans Business Development to better assist our nation’s veterans and provide them the business services they need.

Section 4.— Permanently extends the authority and duties of the SBA’s Advisory Committee on Veterans Business Affairs.

Reasoning: The SBA’s Advisory Committee on Veterans Business Affairs has served as a valuable independent source of advice and policy on veterans business issues to: the SBA Administrator; the SBA’s Associate Administrator for Veterans Business Development; the Congress; the President; and other U.S. policymakers. The Advisory Committee was commissioned under P.L. 106-50 and is set to terminate its duties on September 20, 2006. This provision will help ensure that the Advisory Committee’s vital duties, and the information it provides, are continued.

Section 5.— Provides that a service member need not satisfy any continuing education requirements, imposed with respect to their profession or occupation, while they are called-up, or within the 120-day period after they are released from the call-up.

Reasoning: Many Guard and Reserve personnel have continuing education requirements that they are unable to satisfy because of being called to active duty. These patriotic individuals should not have to satisfy these continuing education requirements. **NOTE:** This provision is a floor, not a ceiling. It should not discourage State or other entities from offering extended benefits/breaks to deployed Guard and Reserve members.

Section 6.— Amends the Small Business Act by allowing small businesses owned by veterans and service-disabled veterans to extend their SBA program participation time limitations by the duration of their owners' active duty service after September 11, 2001.

Reasoning: Some of the SBA's contracting and business development programs have defined time limits for participation. If the firm's time for participation expires prematurely, then competitive opportunities, investments, and jobs become lost. Currently, small business owners who get called-up to active duty in the National Guard or Reserve are effectively penalized because their active duty time is counted against the time limitations on participation in the SBA's programs.

Section 7.— Requires that the Secretary of each military department ensure that counseling is provided, at least once a year, to members of the National Guard and Reserves on the importance of notifying their employers regarding their mobilization.

Reasoning: Employers often receive little warning of a guard or reservist's call-up. A survey published by the DoD in November 2003 (DMDC Report No. 2003-10), which questioned guard and reservists who had been called-up over the previous 24 months, indicated that they notified their civilian employers an average of 13 days before their call-up began. The survey also showed that almost 60 percent of guard and reservists gave their employers advance notice of one week or less. Unfortunately, providing short notice to employers does not allow them time to adequately plan for a guard member or reservist's absence, and ultimately hurts a business's bottom line. It is important that employers have ample time to make the adjustments necessary to sustain their business.

Section 8.— Improves the focus upon notifying employers in a timely manner regarding call-ups.

Reasoning: For the reasons provided under Section 7, this provision would commission a DoD study on ways to improve the timely notice of employers regarding call-ups.