

Summary of Testimony
Ted Daywalt
U.S. Senate Committee on Small Business and Entrepreneurship
“Assessing Federal Small Business Assistance Programs for Veterans and Reservists”
January 31, 2007

Mr. Daywalt believes that Corporate America will not support the new Department of Defense (DoD) policy of extending call ups of the Guard and Reserve. At a press conference on January 11, Dr. David Chu, the Under Secretary of Defense for Personnel and Readiness, was quoted as saying: The fact that some with previous Iraq experience will end up spending more than 24 months on active duty is no "big deal." Mr. Daywalt adamantly disagrees with that statement.

Since the announcement of the new policy, Mr. Daywalt has confidentially spoken with over 50 human resource managers and senior executives with brand name companies. According to him, uniformly, these companies say they cannot support this new policy because, among other reasons, it puts human resource managers and recruiters in a quandary. One senior HR executive at a major company stated to Mr. Daywalt they will continue to support current employees who have been activated, but will no longer hire new employees who are in the Guard or Reserve. All seem to agree with this position. Mr. Daywalt will cite as an example an email from a Master Sergeant who is a recruiter for the National Guard stating: "As an AGR soldier with a spouse that is a TPU member, I find this new policy very disturbing. How can our government ever conclude that it's okay to add more uncertainty to serving in the Reserve? I recently interviewed a soldier who chose not to affiliate with the Guard because of her fear that her employer would not support her service."

Mr. Daywalt will also describe the circumstances of one Reserve Navy Commander he met that has 7 years of active duty and the rest in the Navy Reserve with a total of 16 years service. The Commander is a financial analyst who wants a promotion, but because he can not be subject to being called up for two years and still keep his civilian job, he is going to resign his commission with 16 years of service!

Mr. Daywalt will also stress that the Rule of Two needs to be eliminated, and that Federal contractors need to have the ability to sole source to small veteran owned companies.

Mr. Daywalt's main theme will be that this new DoD policy will hurt veteran owned companies. According to him, the policy is the straw that will break the back of corporate support of our Guard and Reserve system that has worked so well for nearly a century, and without corporate America's support, the citizen soldier system cannot work.