

Good morning. I call this hearing to order. Welcome to our third hearing looking at small businesses and the industrial base. Today we are going to focus on three important issues. First, we'll hear about ongoing issues with veteran and service-disabled veteran contracting programs. Second, we'll discuss reverse auctions. Last Congress I introduced legislation addressing reverse auctions for construction service contracts. However, today we are going to hear about systemic issues in reverse auctions. Finally, we'll hear about challenges to timely implementation of small business contracting legislation.

Each of these issues is important to inclusion of small businesses in our industrial base. When the process for being verified as a service-disabled veteran-owned small business is overly burdensome, legitimate veterans choose to absent themselves from the federal marketplace. For example, having two different definitions of service-disabled veteran owned small business means we are forcing our veterans to resolve tensions that lawmakers and regulators couldn't solve.

Likewise, when reverse auctions are used properly, they can save taxpayer dollars. Unfortunately, some agencies have used reverse auctions in a manner that evades vigorous competition and contractor protections.

Finally, when SBA and the Federal Acquisition Council fail to act, it means that contracting officers and small businesses have two conflicting sets of rules. Consequently, small businesses can't plan, and often can't compete, for work. While the rulemaking process takes time, there is simply no excuse for the fact that nearly five years after Congress passed the Small Business Jobs Act, small business is still waiting for regulations. Given that bureaucratic delay, it is no surprise that many small businesses opt out."

I expect that as a result of the testimony we receive today, the Subcommittee will actively pursue ways to increase opportunities for small businesses to compete for contracts. I look forward to working with each of you, and want to welcome our witnesses.

I now yield to the Ranking Member for her opening statement.