

Testimony

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Good Morning.

I would first like to join my good friend Senator Tommy Tomlinson in welcoming Senator Scarnati, members of the Senate Republican Policy Committee, other invited guests and United States veterans to our region. Thank you all, for taking the time to be here today to discuss a very important effort on behalf of veteran business owners and our region's entire business community. Let me also say that it pleases me to testify today in support of the legislation proposed by Senator Robert "Tommy" Tomlinson (R-Bucks) that would set procurement goals for veteran-owned businesses within the Commonwealth.

For the record, I am Mark Schweiker, President and CEO of the Greater Philadelphia Chamber of Commerce (GPCC). As you may know, the GPCC represents some 5,000 businesses, many of whom operate in southeastern Pennsylvania. Let me also note that Pennsylvania ranks fifth in the nation with more than 5% of the total U.S. veteran population.

A major focus of our Chamber is to ensure that all members are provided with the tools necessary to effectively operate and grow their enterprise. To this end, over the past two years, we have developed the Supplier Network Series, a new program which teaches small companies how to successfully conduct business with large corporations and government agencies. During the course of that programming, it became apparent to us the difficulties that large corporations like Lockheed Martin encounter in locating and identifying veteran and service-disabled veteran owned businesses (SDVOSB) necessary to meet their diversity goals.

Through extensive research, GPCC determined that many veterans were unaware of the business opportunities available to them by virtue of their veteran status. Within the Commonwealth, there are 217,560 veteran owned small businesses whose aggregate income is over \$8.2 billion dollars. Of these, only 1,864 are registered within the federal Central Contracting Registry Database, the only centralized database used by both corporate and government procurement officers to locate qualified suppliers.

GPCC wanted to help large corporate members in fulfilling their supplier diversity needs as well as to help build awareness of these opportunities to veteran business owners.

Therefore, in the fall of 2005, the Chamber unveiled the VETWORK YOUR BUSINESS program. In partnership with Small Business Development Centers, the U.S. Small Business Administration, and supported locally by Lockheed Martin, Merck & Motorola, VETWORK now provides educational and networking opportunities to veteran business owners.

To advance our VETWORK outreach efforts, the GPCC contacted Senator Tomlinson in September 2005, specifically because of his position as a local member of the Senate Military & Veterans Affairs Committee. Over the last year, Senator Tomlinson and his staff have been integral in making veterans aware of VETWORK programming, networking opportunities, and the need to register their businesses in the Central Contracting Registry. In our viewpoint, through press releases, newsletter articles, and meetings with other members of the Pennsylvania General Assembly, Senator Tomlinson has been a leader in promoting veteran business opportunity.

Because of Senator Tomlinson's efforts, as well as the support of other members of the Pennsylvania General Assembly, a 23% increase, this year, in the Commonwealth's registrations in the Central Contracting Registry was experienced. To a great extent, this can be attributed to the VETWORK program.

Earlier this summer, Senator Tomlinson invited members of the Southeastern Pennsylvania Delegation, as well as Senator Don White, Chairman of the Military & Veterans Affairs Committee, to a briefing in Harrisburg. At that briefing, GPCC was asked to share information about VETWORK with our colleagues in western Pennsylvania.

As a result, we are working now to develop a partnership with Richard Portis, Coordinator of the Veterans Business Outreach Center which is part of the Massey Center for Business Innovation and Development at Robert Morris University in Pittsburgh.

An additional result of the meeting called by Senator Tomlinson is the legislation we are discussing today. Businesses and organizations involved with VETWORK had brought to our attention on several occasions that while Pennsylvania provides preferences for both minority and women owned businesses, supplier preferences for veteran owned businesses do not exist. In addition, it has been noted that three percent (3%) of the total value of all prime contract and subcontract awards by the federal government be awarded to SDVOSBs. After considering this note, Senator Tomlinson confirmed that procurement goals to assist veteran business owners were appropriate and chose to author this legislation.

Not only would this proposal amount to an excellent step forward in providing opportunity for established veteran business owners, it would also be an incentive for those veterans who have not yet identified themselves as veteran business owners to stand up and be counted. To that point, as the population of U.S. veterans entering the civilian workforce increases, providing incentives such as veteran procurement goals in Pennsylvania, may in fact encourage other veterans to start their own businesses, thereby providing more jobs within the Commonwealth.

In closing, I would again like to acknowledge Senator Tomlinson for his efforts to enhance business opportunities available to Pennsylvania veterans. We hope that the members of this committee will consider joining him in support of this important measure.

On behalf of the region's business community and those involved in our VETWORK program, the Greater Philadelphia Chamber of Commerce welcomes the opportunity to

support Senator Tomlinson's legislation to set procurement goals for veteran-owned businesses in the Commonwealth.

Again, thank you. I would be happy to take any questions.