



March 30, 2026

Chair Roger Williams
House Committee on Small Business
2361 Rayburn House Office Building
Washington, D.C. 20515

Chair Joni Ernst
Senate Committee on Small Business and
Entrepreneurship
428A Russell Senate Office Building,
Washington, D.C. 20510

Ranking Member Nydia M. Velázquez
House Committee on Small Business
2361 Rayburn House Office Building
Washington, D.C., 20515

Ranking Member Edward J. Markey
Senate Committee on Small Business and
Entrepreneurship
428A Russell Senate Office Building,
Washington, D.C. 20510

Dear Chairs Williams and Ernst and Ranking Members Velazquez and Markey,

On behalf of SourceAmerica I am writing to express concern over H.R. 7534 and S. 3964, Contract Our Veterans Act of 2026. Unfortunately, this bill will cost thousands of jobs to the individuals with disabilities employed through the AbilityOne Program.

H.R. 7534 and S. 3964 establish a set-aside procurement program utilizing a “rule of two”, sole-source procurement authority, and a newly established procurement goal for veteran-owned small businesses. While well intentioned, this provision circumvents the AbilityOne Program and will displace nearly 40,000 workers with disabilities. Under this bill, any contract that could be fulfilled by a veteran-owned small business must be fulfilled by a veteran-owned small business including existing contracts that are being fulfilled by the AbilityOne Program and individuals with disabilities across the country. It would also prevent procurement officers from even considering the AbilityOne Program for future contract opportunities where only two veteran-owned small businesses exist in the marketplace.

The AbilityOne Program leverages the purchasing power of the Federal government, awarding essential made-in-America product and service contracts to community-based nonprofit federal contractors that are dedicated to training and employing people with disabilities. Over 450 community-based nonprofits across the country participate in the Program and employ approximately 39,000 employees with disabilities, which

includes over 2,500 veterans. Military departments and the Department of War rely on the Program, with contracts at 440 military bases, installations, and laboratories across the country. Mission-critical items and services such as extreme cold weather clothing, medical products, chemical and biological personal protective equipment, and facility and supply chain management are provided by the community-based nonprofit federal contractors.

SourceAmerica believes in the goal of supporting veteran-owned businesses and appreciates the value of promoting business ownership by our nation's heroes. But meaningful employment for individuals with disabilities is critical to the health of our nation's economy and government readiness, including the Department of War. This provision encourages DoW to choose veteran-owned business over economic independence for the thousands employed through the AbilityOne Program including thousands of veterans by dictating a statutory procurement goal where the AbilityOne Program has none and allowing sole source activities to achieve that goal.

Further, the federal government has already been, rightly, a faithful partner to veteran-owned small businesses. The legislation requires a 5% government wide goal for these businesses but the government's data shows that these business types already have a contract share of over 5%. The AbilityOne Program has a contract share of less than .5%

We urge that members of Congress not support this legislation and that it is not brought in front of Committee or the full Congress.

Sincerely,



Rick Terrazas
Vice President, Government Affairs
SourceAmerica