

**ALASKA STATE LEGISLATURE
JOINT MEETING
SENATE SPECIAL COMMITTEE ON WORLD TRADE, TECHNOLOGY AND
INNOVATION
HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, INTERNATIONAL
TRADE AND TOURISM**

October 26, 2009
11:11 a.m.

SARAH LUKIN, Executive Director
Native American Contractors Association (NACA)

POSITION STATEMENT: Presented policy issues and opportunities of Native 8(a) contracts.

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SARAH LUKIN, Executive Director, Native American Contractors Association (NACA) said she is from the Native village of Port Lion on Kodiak Island. She is a Kodiak shareholder and a shareholder of the Afognak Native Corporation. She explained that NACA is a national Native organization based in Washington D.C. that advocates for the rights of tribes, Alaska Native corporations, and Native Hawaiians in government contracting, particularly in the SBA 8(a) program. She read the following:

The summer of 2009 saw congressional attention focus on Native participation in the 8(a) program. Some critics referred to the program as a loophole, as if Native success in government contracting could not possibly be legitimate or appropriate. The term loophole ignores the reality of our severe socio-economic disadvantages.

The fact that Native enterprises are owned by Native communities that are destitute and geographically isolated, decimated by centuries of failed federal policies, yet are still responsible for the health and welfare of thousands of people and their dependents and descendants - that's real.

When poverty in our Native communities exceeds all other race categories and is twice the national average, that's real. The fact that members of Congress have tried to keep the promises made by their predecessors in the Constitution, countless treaties, and land settlements when taking hundreds of millions of acres of Native lands - that's real.

And it's real too that Native women have earned an education because of Native 8(a) benefits and that our Native children can now speak their traditional language that had been lost for generations, and that Native elders now receive benefits to offset their very limited income.

Here's a federal Indian program the government actually got right. Native participation in 8a helps our Native enterprises build business capacity and educates teachers, accountants, and IT specialists. The handout is replacing the handout. We need more benefits for our people and more employment, more work in our Native communities and more Native executives. To cut the program that has gotten us so far is absolutely wrong. So much more needs to be done. Native American peoples represent four percent of America, but Native enterprises still represent less than 1.3 percent of the federal contracting pie. And 8(a) awards represent less than .8 of one percent of federal contracting. Native 8(a) strives to increase business opportunities for other small businesses and 8(a)s. And we offer real competition to the large contractors and real value to the American taxpayer.

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There have been difficulties. The SBA is understaffed and underfunded, its enforcement assistance and guidance in training have suffered. Thankfully, the Anchorage district office has recently hired two new business opportunity specialists to work with all the ANC's serviced out of that office. Nonetheless, we acknowledge that there are some very real problems. We strongly believe everyone must play by the rules, and those who don't should be held accountable. Fortunately, those rules and enforcement mechanisms already exist. Unfortunately, the SBA lacks the resources it needs for these important oversight tasks.

America needs the federal procurement system to work and so do Native Americans. That's why the National Congress of American Indians, the National Center for American Indian Enterprise Development, and NACA have been very active for over three years in pushing for the GAO recommendations, regulatory reforms, and more resources for the SBA. I am very excited that the SBA

will soon be publishing their long-awaited draft regulations. NACA and the Native community look forward to working positively with the SBA and urge the SBA to hold a series of tribal consultations with the Native community on any of the proposed regulations that will impact our Native enterprises.

I only hope that Congress will allow the SBA and the Native community to review and implement the new regulations before additional attempts at sweeping reforms occur. Over the last several years, the Native community has found ourselves constantly fighting off legislative reforms. In the 109th, 110th, and now the 111th Congress, we have experienced numerous attempts to modify or altogether remove Alaska Native, tribal, and Native Hawaiian participation in 8(a). Attempts have been made to cap Native 8(a) awards and impose agency requirements to minimize sole-source contracting across the board. Meanwhile, we've seen individual agencies like the Air Force and the Navy attempt to regulate ANC awards and establish their own limitations. We have testified at three congressional hearings, most recently before the Senate subcommittee on contracting oversight.

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We are so very grateful to Senator Murkowski, Senator Begich, and Congressman Young. Their unwavering support on Capitol Hill has been absolutely critical to our Native corporations' success and the continued growth of Alaska's economy. We are also very appreciative that Alaskan policymakers have taken an interest in this program and we hope that your involvement will prove to be a positive influence on this economic engine for Alaska.

Although thus far we have succeeded in protecting our Native 8(a) rights, it is not a matter of if additional attempts at reform will be made, but rather when those attempts will be made. In 2010 we will see intense scrutiny and investigation of government contracting and both Congress and the administration will continue to look at restricting sole-source contracting across the board. Native 8(a)s, representing less than 1.3 percent of the federal contracting pie, make a very easy target. The problems with government contracting are universal. The search

for solutions should be comprehensive and not disproportionately focused on Native 8(a)s.

The Native community needs your support as we fight to protect, preserve, and enhance Native 8(a) rights. I ask the Alaska Legislature to pass a resolution of support for Native 8(a)s and I ask for your help in educating the Alaska public about what this program means to Alaska's economy, Alaskans, and Alaska Native peoples. I ask you to reach out to your networks in other states and talk with them about what the 8(a) program means for Native communities across this country and their local economies.

CO-CHAIR RAMRAS related that Co-Chair McGuire is the president of PNWER (Pacific NorthWest Economic Region) and he believes that this would be an excellent discussion for that forum.