

NACA
For Immediate Release

Alaska Native Corporations View Senate Inquiry as Opportunity to Educate
Basic Misunderstanding of Alaska Native Corporations Complicates Much-Needed Dialogue

WASHINGTON, D.C. (July 6, 2009): The Native American Contractors Association (NACA) today expressed concern about a recently released Senate Subcommittee on Contracting Oversight preliminary analysis on Alaska Native Corporations (ANCs) in government contracting. Just weeks before the Subcommittee will hold a hearing to discuss ANCs, the preliminary analysis demonstrates a lack of understanding about ANCs, congressional history and the trust relationship between the federal government and America's indigenous peoples.

At issue are provisions established by Congress in the Small Business Administration's 8(a) program designed to recognize the unique corporate mission of Tribes and Native community corporations.

"The misperceptions in the preliminary analysis highlight the need for Tribal and Native American firms to tell their story," said Sarah Lukin, NACA's Executive Director. "Even in Congress there is clearly confusion about what Alaska Native Corporations do, how they operate, why they were formed, who they help and why they exist. We look forward to working with the Subcommittee to illuminate the real value ANCs bring their Native people and the U.S. government."

The analysis, entitled "Contracting Oversight Subcommittee Releases Preliminary Data on Native Alaska Corporations," and posted June 23 on the Website of Subcommittee Chairman Claire McCaskill, D-MO, criticized ANCs for servicing contracts outside the state of Alaska, specifically for winning work in Virginia. Alaska ranks #35 in federal contracting opportunities, while Virginia ranks #1. Like any American owned company, it makes sense to go where the work is.

"Regardless of any need for education about the community owned aspect of ANCs or the fact that Congress in 1971 enacted federal law to form these unique corporate vehicles, to suggest that any company should only do business in one state, or be prohibited from doing business in every other state, is puzzling," Lukin said. "It's worrisome that there would be these kinds of views about where businesses should be allowed to operate. Imagine if Anheuser-Busch were restricted to selling its product only in Missouri. "

ANCs are the grand experiment of the Congress and our federal government. In 1971, twelve short years after statehood, the federal government extinguished aboriginal title to over 300 million acres of Alaska Native land to create the 49th state. The federal government then created ANCs to receive fee simple title to the lands that were left, roughly 11 percent of the ancestral homelands that had been occupied for more than ten thousand years. The intent of Congress was clear then, and in every year since – that ANCs would be the equivalent of Tribal corporations to engage in business and commerce to lift up the socio-economic status of entire communities.

"Like the Tribal corporation counterparts in over 30 states across this great country, ANCs do not select their investors, or their members," Lukin explained. "These unique corporations are rightfully bound to a community ownership that ensures that any business success is redirected to the socio-economic condition of entire indigenous communities. It was definitely the intent of Congress that

these corporate vehicles be part of a long term solution to ensure that America's indigenous cultures and communities survive.”

While ANC revenues have increased in recent years, one simple truth remains – all ANC contractors combined receive less than 1 percent of all federal contracting dollars spent annually by the U.S. Government. Unfortunately, despite the strong performance record of ANCs – and the return of their earnings to their community mission in the form of dividends, scholarships, needed services, and the preservation of their Native cultures – some in Congress continue to vilify these businesses while failing to address the large corporations and systems integrators that continue to obtain the vast majority of government contracts.

“The provisions in the SBA 8(a) program for ANC's and Tribal Corporations are very different from the provisions for individually owned minority and disadvantaged firms, as they should be. These community owned corporations have a much greater obligation to a much larger constituency than a sole proprietor firm. The formation of ANCs – and their service to the United States – honor the special trust relationship Congress established with all Native Americans, including Alaska Natives,” Sarah Lukin added. “We hope to be able to better explain to Chairman McCaskill and other Members of the Subcommittee the importance of this relationship, and how continued support of ANC participation in 8(a) and other programs advances this long-held commitment.”

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The Native American Contractors Association (NACA) brings a collective voice to Capitol Hill on public policy issues related to procurement and Native economic development. Federal agencies, Congress, and other organizations look to NACA to provide information about Native American businesses and the Native 8(a) program.