**OBJECTIVES**

* 10% Indigenous Contractor Preference in each Agency
* Eliminate Section 811 of the 2010 NDAA
* Oppose HR 190 and S. 673 sections that negatively impact Native Contracting
* Develop solution to require contracting floor (goals) within tier 1 government contracts and make sure these are enforced via audit.

**BACKGROUND**

**SBA Reauthorization Bill Threatens Indigenous Contracting**

There have been some alarming developments recently displayed in the Small Business Administration Reauthorization Act introduced - then subsequently pulled - by Chairman of Senate Committee on Small Business Entrepreneurship Marco Rubio (R, Florida). The language included in Chairman Rubio's bill was very similar to that proposed in [HR. 190](https://www.congress.gov/bill/116th-congress/house-bill/190)and [S. 673](https://www.congress.gov/bill/116th-congress/senate-bill/673/text) , each which contained certain allowances for individually owned entities that would bring those types of entities into the same contracting space as Native Contractors without also providing the same type of increase in opportunity (creating parity) for our members.

**ALASKA NATIVE VILLAGE CORPORATION ASSOCIATION (ANVCA)**

Representing 177 Alaska Native Village Corporations established under the Alaska Native Claims Settlement Act of 1971 (ANCSA), ANVCA is a member based nonprofit organization.

**Mission**

ANVCA promotes the success of our Village Corporations and protection of our Native lands.

**Contact**

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ANVCA opposed this language and traveled to DC to take part in our partner organization Native American Contractors Association (NACA) Summit to educate legislators and staff about the vast differences between an ANC and other individually owned contractors. Essentially, any other contractor in the program is likely to represent only one family, even sometimes just one person. While Native Corporations benefit hundreds if not thousands of Indigenous shareholders, often originating in locations where there is no economy to speak of, this is true too, for our Indigenous brothers and sisters in the lower 48 who live on reservations.

ANVCA views Indigenous contracting as part of an ongoing business relationship between the United States Federal Government and Tribal Citizens (and Native Corporations), established via various Treaties as well as the Alaska Native Claims Settlement Act. We are a separate political status, not to be confused with "minority" status.

To be clear, ANVCA and NACA and other tribal organizations do not oppose creating new opportunities for small businesses, we encourage the Federal Government to contract with those entities that are best suited for fulfilling their needs, and we encourage them to continue to find ways to better achieve their small business goals.

However, those shaping language that would increase contract thresholds to benefit individual companies must recognize and balance the fact that Native Community-Owned entities have tens, to hundreds, to thousands of beneficiaries that count on economic returns from the same contracting space.

Native Corporations provide job opportunities, scholarships, internships, dividends, and even burial assistance to their hundreds if not thousands of Native Shareholders many of whom live in remote locations only accessible by plane or boat. On Average, 85 percent or more of the Net Income from ANCs are returned to the community. Many organizations even provide significant funding to non-profit organizations irrespective of whether they directly benefit the Native population or not.

What is known as the "SBA Reauthorization and Improvement Act of 2019" as introduced by Chairman Rubio, directly impacts Native contractors negatively.

**Specifically:**

The “Elimination of the Inclusion of Option Years in the Award Price for Contracts.” Current law caps Individually Owned firms in the 8(a) program like minority owned, women owned, and service disabled veterans at $4 million for civil contracts and $7 million for industrial or manufacturing contracts. The SBA Reauthorization proposes to raise these caps to $8 million and $10 million respectively.  The language increases caps for HUBZone, DSVOB, WOSB to $4M to $8M per year for Non-Manufacturing and from $7M to $10M per year for Manufacturing contracts from sole source funding.

Also included is language for the “elimination of option years in the award price for contracts.

By eliminating option years in award price for contracts, individually owned firms would be able to compete for sole source contracts 5x the cap amounts of $8 and $10 million, and be able to receive $40 and $50 million contracts.   **This will allow individually owned firms to operate in the same space as Tribes, Alaska Native Corporations, and Native Hawaiian Organizations.**

Native Contractors would also be disadvantaged in contracting above the $22 million threshold outside of DoD contracting, because individually owned firms would not be subject to a $ 22 million cap requiring Justification and Authorization (J&A) at the Secretary level like an ANC is currently. The SBA would therefore have less incentive to go through strict J & A process for Native Contractors when they could give these contracts to other participants.

Additionally, this legislation as written allowed for a venture capitalist to own 50% of small business, a huge departure from the standard 51% minority or disadvantaged entity ownership requirement.

While the bill was pulled indefinitely, we believe we need to educate now more than ever on what makes Native Contractors unique, and even begin to talk about establishing a program that is based on political, status rather than minority status.