

**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.**

MEMBERS PRESENT

SENATE MEMBERS

Senator Lesil McGuire, Chair
Senator Hollis French
Senator Bill Wielechowski

HOUSE MEMBERS

Representative Jay Ramras, Chair
Representative Nancy Dahlstrom
Representative Reggie Joule
Representative Mike Doogan
Representative Chris Tuck

MEMBERS ABSENT

SENATE MEMBERS

Senator Lyman Hoffman
Senator Gary Stevens

HOUSE MEMBERS

Representative Mike Chenault
Representative Kyle Johansen
Representative Mark Neuman
Representative Lindsey Holmes

OTHER LEGISLATORS PRESENT

Representative John Harris

COMMITTEE CALENDAR

Presentation: Economic Impact of Native 8(a) Contracting
HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JULIE KITKA, President

Alaska Federation of Natives (AFN)

POSITION STATEMENT: Presented the history of ANSCA and Native participation in 8(a) contracting.

SARAH LUKIN, Executive Director

Native American Contractors Association (NACA)

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

MAVER CAREY, President and CEO

The Kuskokwim Corporation

POSITION STATEMENT: Delivered a PowerPoint presentation to demonstrate the benefits derived from participation in Native 8(a) contracting.

ROY TANSY, JR. Chief Operating Officer

Ahtna Inc.

POSITION STATEMENT: Testified about the benefits derived from participation in Native 8(a) contracting.

TOM HARRIS, CEO

Tyonek Corporation

POSITION STATEMENT: Testified about the benefits derived from participation in Native 8(a) contracting.

ACTION NARRATIVE

[11:11:20 AM](#)

CO-CHAIR JAY RAMRAS, Alaska State Legislature, called the joint meeting of the House Special Committee on Economic Development, International Trade and Tourism and the Senate Special Committee on World Trade Technology and Innovation to order at 11:11 a.m. Present at the call to order were Representatives Dahlstrom, Doogan, Tuck, and Ramras and Senators McGuire, French, and Wielechowski. Representatives Joule and Harris joined the meeting soon thereafter.

Economic Impact of Native 8(a) Contracting

CO-CHAIR JAY RAMRAS, Alaska State Legislature, announced that the business before the committees is to hear about the economic impact of Native 8(a) contracting. He asked Senator McGuire if she had any opening remarks.

11:12:44 AM

CO-CHAIR LESIL MCGUIRE, Alaska State Legislature, said we know how important the Native 8(a) provision has been to economic development in Alaska, not just the Native corporations but also for the trickle-down effect it has had for all of Alaska. She maintained that more than any other provision in history, 8(a) has helped Natives in Alaska regain their livelihood and access to their culture. Feedback from colleagues in the Lower-48 indicates that the model is a tremendous success.

CO-CHAIR MCGUIRE, noting that recent congressional hearings have focused on changes to the 8(a) program, stated that she would like the provision to be retained to the greatest extent possible. It has and continues to achieve its purpose. Conceding that there may be changes to the sole-source provision, she pointed out that the program has been of great benefit to village corporations, regional corporations and Alaskans in general. The Alaska State Legislature recognizes that this is a federal issue, but wherever possible it wants to partner with the Native community to highlight these issues. "To the extent that we can, we're with you," she said.

Representative Reggie Joule and Representative John Harris joined the committee.

CO-CHAIR RAMRAS said that his perspective as a born and raised Alaskan is that the value of the repatriation of dollars through the 8(a) program is second only to the Trans Alaska Pipeline System (TAPS) pipeline. He noted that he recently read that the Arctic Slope Regional Corporation (ASRC) has paid out more than \$400 million in dividends in the last couple of decades. "They are only one success story out of many," he said.

CO-CHAIR RAMRAS stated that the intention is to send the testimony and the public record from the meeting today to the Alaska congressional delegation so that there is a fair discussion in Congress about how valuable the 8(a) program is to Alaska.

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JULIE KITKA, President, Alaska Federation of Natives (AFN), expressed appreciation for the Legislature's interest in the

issue. The preservation of government contracting opportunities and the 8(a) provision is of critical importance to Alaska Natives and the state of Alaska, she said.

MS. KITKA said before she gives a history of ANSCA and Native participation in the 8(a) program, she wants the Legislature to know that there are things it can do to support economic development in the rural areas of the state. This is the notion of setting up economic ecosystems and corridors of activity that merge research and development of the university, energy, technology, and high speed telecommunications. We'd like to explore ideas at some future time, she said.

[11:21:38 AM](#)

MS. KITKA said her testimony today speaks to the legal and equitable basis of the Small Business Administration 8(a) program and its importance to the Native people of Alaska. Providing background, she explained that the Alaska Federation of Natives (AFN) is Alaska's largest statewide Native organization. It represents more than 25,000 Alaska Natives that reside in the state and more than 120,000 Alaska Natives living in other states, making it probably the third largest Native group in the U.S. AFN is a membership organization that was organized in 1966 to advocate with one voice primarily for a fair settlement of aboriginal land claims. This culminated in the Alaska Native Claims Settlement Act (ANCSA) of 1971.

AFN today is governed by a 37 member board of directors representing both federally recognized tribes and ANCSA village corporations - 12 regional tribal consortiums and 13 regional ANCSA corporations. The AFN convention is the largest annual gathering of Native people within the United States. Delegates are selected on the basis of population, with one delegate for every 25 in the population. The AFN mission is to enhance and promote the cultural, economic and political voice of Alaska Natives. She expressed hope that the hearing today would provide a broader basis for understanding the background and nature of the contracting status of Native American tribes and Alaska Native corporations.

MS. KITKA explained that the 1971 Alaska Native Claims Settlement Act embodies most of the economic and relational agreements with the federal government for which the Alaska Native people relinquished valid legal claims to land and resources of their homelands. This settlement freed the State of Alaska to receive Alaska Native lands, and the federal government to manage those lands.

U. S. citizens and the federal government received a bargain in the ANCSA, but for the Native people and the Native corporations the land conveyance process dragged on year after year. "Our economies have struggled and we were, by any measure, an economically disadvantaged group, and clearly a minority," Ms. Kitka said. The laws enacted by Congress that provide legal status under the 8(a) program simply recognize these facts.

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MS. KITKA highlighted that the world-class discovery of oil in Prudhoe Bay and the need for a clear title to build an oil pipeline across Alaska in order to meet the energy needs of the country, created a sense of urgency and a historic opportunity for a settlement of Alaska Native land claims. In December of 1971, after years of effort by members of the U.S. Congress and Alaska Native leadership, the Alaska Native Claims Settlement Act was signed into law by President Richard Nixon.

For extinguishing their aboriginal claims, Alaska Natives were allowed to retain fee simple title to 44 million acres of land and to receive \$962.5 million for lands that were transferred to the state, federal government, and private interests. ANCSA created 13 regional for-profit corporations and more than 200 village corporations to receive and oversee these land and monetary entitlements. It took decades to implement the promises made in ANCSA.

MS. KITKA clarified, "It is critically important to understand ANCSA was a land settlement and the ability to retain our homelands and our identity and culture were and continue to be paramount." The structure of the corporations established under ANCSA was a secondary issue to the Alaska Native people. Protecting the land and our traditional way of live was as critically important then as it is today, she stated.

[11:27:14 AM](#)

MS. KITKA said that since ANCSA was signed into law in 1971 it has been amended over 19 times. Alaska Native people consider it living law that is intended to reflect their needs. She continued to state:

We have maintained an ongoing working relationship with all the committees that have jurisdiction over our land claims and have advanced amendments in clarifying and [making] even major substantive changes in our land claims every Congress since the signing of

the original bill. That's important to know because that is part of the ongoing relationship that Alaska Natives have with the Congress and the federal government. The 8(a) treatment of Alaska Natives is part of ANCSA literally.

MS. KITKA related that, on behalf of the AFN, she worked on a package of amendments called the 1991 amendments, of which 8(a) was a part. This ANCSA modification addressed fundamental land protections, inclusion of young Alaska Natives, a legal ability to provide special benefits to Native elders, and major changes to the Native corporate structure. One major provision eliminated the statutory requirement that in 1991 all Native corporation stock would be recalled and resold on the public market. Had ANCSA remained as originally enacted, the Alaska Native people would lose their corporations and all their lands and resources.

Because of evidence that Alaska Native corporations were excluded from the 8(a) program, amendments to the Small Business Administration (SBA) 8(a) program were included in the 1991 amendments. Congress in 1987 unanimously passed the 1991 amendments and they were signed into law. In 1992 the 8(a) amendments again were considered by Congress, passed without opposition, and were signed by the President. These 8(a) amendments provided contracting opportunities to all Native American tribes, not just Alaska Native corporations.

MS. KITKA pointed out that there is a basis for *the laws distinguishing between* Native American relationships and others. In many cases when Native Americans entered into treaty and statutory agreements relinquishing ownership and use and occupancy of their lands, an agreement was embedded in those treaties and statutes for differential treatments under federal law. Thus, Congress can properly distinguish between Native American and non-Native American contracting opportunities. This authority comes from the unique status of Indian tribes under federal law and the plenary power of Congress to legislate on behalf of federally recognized tribes and Alaska Native corporations.

MS. KITKA cited *Morton v. Mancari* as an example in which the Supreme Court upheld legislation that singles out Native Americans for special treatment. The Court stated that as long as the special treatment can be rationally tied to the fulfillment of Congress's unique obligation to Indians, then legislation regulating commerce with Indian tribes will not be

disturbed. This is a very important component of federal Indian law.

MS. KITKA said it would not be just or fair to now seek to separate the economic treatment of Alaska Natives from the settlement of aboriginal claims. Even today, 39 years later, not all the lands that were promised to the Alaska Native people and corporations have been conveyed. "What is the net present value of the lost use of our land, the development of our resources, [and]...the litigation...to try to advocate and protect and get what is our right?" she asked.

To refer to ANCSA as an economic development statute is like calling the Civil Rights Act a community development law or the Voting Rights Act a polling statute. Those two laws are fundamental to the relationship that the federal government has with minority groups and should not be minimized or disparaged. To the Alaska Native people ANCSA is nearly as important because it recognizes and validates Alaska Native claims to lands and waters in Alaska where their people have resided for thousands of years. "To pull out pieces now and examine them out of context would be wrong," Ms. Kitka said.

MS. KITKA said that ANCSA corporations are more than just for-profit corporations. They are stewards of the Native homeland, sponsors of education and training opportunities, and employers of first resort for Alaska Native people. The lands that are held by these corporations are key to our heritage, culture, and future, she said. Just as Congress intended, these corporations were formed under a requirement not applied anywhere else in aboriginal land settlements, and perhaps not any other corporations in America.

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MS. KITKA said that Native leadership followed the law in setting up these new corporations. In many cases they struggled to overcome social and economic disadvantages of operating in what the business world deemed "remote Alaska," but they did persevere and run the corporations as Congress intended. Our corporations are key to our heritage, our land, and our economic base; they are essential to our well-being, she said.

As these corporations began to succeed, the indicators of a healthy society begin to improve. Life expectancy for Alaska Native men and women has increased, infant mortality has decreased, and poverty has been reduced from over 60 percent to 20 percent. An AFN commissioned report shows a dramatic

improvement in positive indicators and a dramatic decrease in negative indicators. It also found "a continuing thread of disparity between Alaska Native population and non-Alaska Native population both in Alaska and the United States in all indicators." Although AFN does not assert that Native corporations are the source of the improvements, they are a part of it. The actions of the state Legislature, the state government, and the federal government are part of this success. "Collectively over the last 30 years we have done remarkable things," Ms. Kitka said.

MS. KITKA said it may be tempting to look at the recent great success of Alaska Native corporations and forget where these corporations started. Please don't skip over that part. She continued:

We live and work in what is to most business people the most remote corner of America, in one of the harshest climates in the world, with a history of extreme prejudice and discrimination against our people, a history of wariness towards a people who in many great cases literally spoke a different language than most business people in America, a history of exclusion from genuine business opportunities, and a history of no business history with mainstream large economies in America.

Is this not a case study of an economically disadvantaged minority business? Ms. Kitka asked. This is why ANCSA and the Small Business Act were amended to provide economic opportunities for Alaska Native corporations.

11:36:18 AM

MS. KITKA said that SBA 8(a) contracting created the benefits it was intended to create. As a result, Alaska Native corporations built up a previously nonexistent capacity to provide employment to their shareholders, scholarships, and training to their young people so that they learn what it takes to succeed in a modern America. Just as intended, these corporations have built managerial and business expertise that can carry forward. They helped create economic stability where none previously existed. "It is an accomplishment to behold, one which is worth understanding in full for its roots, path and basis in law, including a Native American law," Ms. Kitka stated.

MS. KITKA stated her view that one success of the SBA program is the great value that Alaska Native people and Alaska Native

corporations are providing to the federal government through contracting. "This is not a handout; this is providing services to the government in value, under budget, on time, or you're not doing it," she added. The current trend is for developing countries to use more contracting so it is significant that Alaska Native people are involved in this. Clearly we need to protect that economic opportunity and continue to grow that capacity because that is the wave of the future, Ms. Kitka said.

[11:37:46 AM](#)

CO-CHAIR RAMRAS stated for the record that he is co-chairing the meeting.

CO-CHAIR RAMRAS mentioned the importance of legislative intent and asked if the original legislation worked and if it is working today in its amended form.

MS. KITKA replied ANSCA is working incredibly well. The intent was to create an opportunity for Alaska Natives to enter the economic sphere by establishing an organization that was separate from the federally recognized, and rather political, tribal model. It is incredible that people thought of it at that time, she said.

With respect to the changes to ANCSA, she said that the original intent was for the corporations to be made public after 20 years. The stock was to be recalled and sold on the open market. Native leaders rightly spent years trying to change that portion of the law, she said. They argued that if the corporations were made public, Alaska Natives would be disenfranchised by the loss of their land and resources. The changes that Congress made into the law, which kept the corporations closed, were the right decisions, Ms. Kitka said.

MS. KITKA said a critical component is the ability for a corporation to adapt to make a more workable structure for the benefit of the people. The Native corporations established under ANCSA are a world-class model and if people in government at the highest levels understood more of what was going on here in Alaska, they would be more supportive. She restated that legislative intent is working beyond what people imagined. "Many people thought that we would fail and we are not failing, we are succeeding."

[11:46:58 AM](#)

REPRESENTATIVE HARRIS asked how the 8(a) program can help bring jobs and an economy back into rural Alaska so that people can afford to live there.

MS. KITKA replied it's not directly related to 8(a) contracting, but if the federal government expanded broadband Internet access in Alaska the expansion of economic opportunities would quickly be apparent. She added that tax credits, pools of low interest long term loans, and incentives for economic development at the village and community and regional hub levels would also be helpful. Again she urged the committees to look at the notion of economic ecosystems and corridors of activity to try to put together economic incentives to build up local village economies.

REPRESENTATIVE HARRIS asked if AFN has developed those suggestions into a proposal to take to the Legislature.

MS. KITKA replied they have a number of resolutions including one she would like to submit for the record in support of the 8(a) program.

She thanked the Legislature for honoring Hawaii Senator Inouye who is very supportive of Alaska Natives.

CO-CHAIR MCGUIRE noted that the 13 Alaska Native corporations have developed different business models in response to ANCSA and might have different opinions about the proposed amendments. She said she would like to know about any sensitivities related to the amendments and things to be aware of on the political level.

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MS. KITKA agreed that there are sensitivities. She said that we respect that the Homeland Security Committee has jurisdiction and a legitimate purpose when it looks at any kind of government contracting. Our criticism is that we don't feel that the process has been fair. The whole aspect of what we contribute to the program has been left off the table, she said. That being said, it's important to be sensitive to the jurisdiction the different committees have.

MS. KITKA said the AFN has requested an oversight hearing at the Senate Indian Affairs Committee and that might be an avenue for the Legislature and the governor to submit supporting letters. That committee will be looking at this issue with a clear

understanding of Indian law and the intent behind the provision. That scrutiny is most welcome, she said.

With regard to the Native community, she said we respect that different people have different approaches. AFN is looking at solutions that will affect the greatest number of people and that are fair to the corporations. She emphasized respect for the congressional process.

CO-CHAIR MCGUIRE said she would like to know about the different approaches the corporations might take. She observed that you can support the concept and still misstep if you don't recognize subtle nuances.

MS. KITKA added that it's important to remember that this impacts more than just Alaska Native corporations. Native Hawaiian organizations and American Indian tribes are affected by any changes; they too want a say in how this goes forward.

[11:55:35 AM](#)

REPRESENTATIVE CHRIS TUCK asked if there are situations where only 8(a) companies compete against one another and how those contracts differ.

MS. KITKA deferred to subsequent witnesses.

CO-CHAIR RAMRAS said it's a privilege to hear from people like you who were witness to the start of Alaska's economic development.

MS. KITKA said thank you, and shared credit with the great number of other Native and non-Native Alaskans who worked to get where we are today.

[11:58:02 AM](#)

CLARA PRATTE, Director, Office of Native American Affairs, U.S. Small Business Administration (SBA), thanked the committee for inviting the SBA to provide testimony on the 8(a) program, specifically in regard to the role it plays in the economic development of Native communities. She read the following:

The SBA's 8(a) business development program is a program created to help small disadvantaged businesses compete in the American economy and gain access to the federal procurement market. To understand the provisions contained for Alaska Native and tribally owned entities as well as Native Hawaiian

organizations, one must have a base understanding of the historical context and how the provisions came into existence.

The legal context for which tribally owned entities and Alaska Native corporations have specific privileges in the 8(a) program are based on specific legislation that is rooted in the trust responsibility and in the U.S. Constitution. As a result of the unique government-to-government relationship that the United States has with indigenous government entities and government structures, several provisions have been passed and enacted into law to fulfill the obligation that the U.S. has to its indigenous peoples.

In general, the 8(a) program authorized by section 8(a) of the Small Business Act seeks to remedy discrimination by helping eligible small businesses compete in the American economy through business development. Participation in the 8(a) program is restricted to businesses owned and controlled by socially and economically disadvantaged individuals and entities. In addition to management and technical assistance provided under the program, certified 8(a) firms may be eligible to receive federal contracts. Furthermore, the government is able to award contracts to participating 8(a) firms without competition below certain dollar thresholds. And the government can also restrict competition for federal contracts above stated dollar thresholds to certain 8(a) firms.

In 1971 the Alaska Native Claims Settlement Act (ANCSA) established Alaska Native corporations (ANC) on one hand to resolve historical land disputes, but also to provide access to the euro-American economic system. One of the many objectives of ANCSA is Native American self determination by participation in a capitalistic economy to create a sustainable economic base.

After the passage of ANCSA, it became quite clear that the objectives and thus the trust responsibility were not being adequately met. Therefore, Congress investigated how to strengthen the efficacy of ANCSA in regards to creating economic self-sufficiency for the Native peoples of Alaska. As a result of various

amendments, significant changes were made to the 8(a) program when Congress enacted legislation that allowed Alaska Native corporations, Native Hawaiian organizations (NHO), community development corporations, and tribally owned firms to participate in the 8(a) program.

Participating in the 8(a) program would allow these organizations to benefit from the business development opportunities available. ANC-owned 8(a) firms, tribally-owned companies, and program participants owned by NHOs are not subject to the same rules as other individually owned companies participating in the program in a number of areas as a result of recognizing the large number of stakeholders that these entities have a responsibility to.

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Whereas individually owned businesses tend to have a sole proprietor, maybe a couple of other people that are stakeholders, tribally owned ANCs and NHOs are responsible for thousands, literally thousands, of shareholders and stakeholders.

The primary difference between the individual 8(a) firm and the Alaska Native corporation provisions are:

- First, subsidiaries under these organization-owned businesses can participate in the 8(a) program without being considered affiliated with one another. This allows for several subsidiaries to participate in the program at the same time and for each to be considered an individual small business.
- Secondly, these firms are not subject to the sole-source contract limitations. As a result of legislation enacted in 1986, there is no cap on the amount of federal contract award to an ANC tribally-owned 8(a) program participant. This means that these companies are able to receive a federal contract in any amount without competition. Similarly, in 2003 Congress authorized Native Hawaiian organizations to receive 8(a) contracts above the competitive threshold for Department of Defense procurements, which is where the majority of federal contracting takes place. The federal cap for

other 8(a) participant individually owned is \$3 million or no-bid service contracts.

- Lastly, companies owned by these organizations do not have a limitation on participation by non-disadvantaged individuals. For traditional 8(a) firms, the individual claiming the social and economic disadvantage must control the day-to-day operations of the company and must be the highest compensated and fees are not subject to such restrictions.

The 8(a) program does not guarantee federal contracts. It only allows increased access to the federal procurement system. The onus is on the company to perform the work to the specifications required by the customer. The success of the Alaska Native corporations in this arena is testament to the value and the quality of work. Federal contracting officers when awarding contracts, particularly sole-source, must attest that it is indeed the best value for the taxpayer dollar. They are able to stop work at any time, they can pull things out of the 8(a) program if they see fit with consultation with SBA, which we try to avoid. But there are mechanisms in place to ensure that any federal procurement dollar spent is indeed the best value being spent for the American taxpayer dollar.

In recent years SBA's inspector general, the Government Accountability Office, and Congress have identified a number of challenges within the 8(a) program and with ANCs in particular. Some are valid concerns and some are what I would term politics of perception. While we may differ over our analysis of some of the details, we all agree on the overarching need for greater oversight to ensure the program operates in accordance with its intended purpose of promoting opportunities for all firms free of waste, fraud, and abuse. The SBA is working diligently to ensure that the oversight of the 8(a) business development program is strong and effective. To that end we've increased the number of our staff that reviews 8(a) applications. We are also releasing draft regulatory changes to the 8(a) program this Wednesday that will be open and available for public comment. And we are committed to receiving full input from all of our stakeholders, and committed to going out and having dialog with Alaska Native corporations, tribally owned entities, and Native Hawaiian organizations on the effects that the proposed draft regulations will have on their companies.

Overall, the success of the 8(a) program has been a strong step in the direction of trust and treaty obligation and fulfillment. Its success has allowed for capital effusion into some of the most rural and economically depressed regions while providing a value-added service for the government. And I have been fortunate to visit in the last week a couple of these areas. And I can attest that while success for many has been attained, much work is left to be done in some of these economically depressed regions. And the 8(a) contracting mechanism plays an important part in that economic development puzzle. We recognize that it's important not only for the Native peoples of the United States, but also for the states in which they operate.

CO-CHAIR RAMRAS thanked Ms. Pratte for her helpful testimony and said the committee would next hear from Sarah Lukin.

[12:06:17 PM](#)

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.

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REPRESENTATIVE JOULE said he doesn't expect a response, but he wonders about applying this 8(a) model inside the state of Alaska.

CO-CHAIR RAMRAS commented he gathers that was a rhetorical question.

CO-CHAIR RAMRAS said he agrees with Ms. Lukin that there has been a disproportionate negative focus on the Native 8(a) program. He believes that it is poorly understood by some that this program is an economic driver for the entire Alaskan economy.

12:16:57 PM

MAVER CAREY, President and CEO, The Kuskokwim Corporation (TKC), and founder and chair of the Alaska Native Village CEO Association, introduced herself. She said this new association is about a year old and has 40 village corporation members.

MS. CAREY said she is using a PowerPoint to show how the 8(a) program is working for The Kuskokwim Corporation and what it is like for members of several other Native corporations that have yet to tap into the 8(a) benefits.

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She displayed a slide showing of the organizational structure of The Kuskoquim Corporation. Seven years ago when she became CEO, TKC had a stock and bond portfolio and passive real estate investments that paid for administrative overhead and minimal dividend to the 1,100 shareholders. Since then TKC formed a holding company that has two 8(a) companies and non-8(a) subsidiaries that provide revenue back to the parent corporation.

TKC is managed by a 12-member board of directors. She highlighted individual board members to demonstrate that the board is dynamic and stable. Unique to TKC, ten village corporations in 1977 pooled resources and merged to form TKC. These included: Aniak, Upper Kalskag, Lower Kalskag, Chuathbaluk, Napaimute, Crooked Creek, Red Devil, Georgetown, Sleetmute, and Stony River. All the villages are upriver from Bethel.

MS. CAREY displayed several slides showing the location of the 10 villages along the Kuskokwim River and TKC ownership of nearly 1 million acres of surface estate lands. Calista Corporation owns the subsurface and resources. She noted that Donlin Creek mine is located above Crooked Creek and is potentially one of the largest gold mines in the world. Calista Corporation owns those resources.

TKC has enrolled descendants and now has 3,100 shareholders. If the board and shareholders agree to again open enrollment, TKC could have 5,000 shareholders within 15 years.

MS. CAREY displayed pictures of elders and shareholders in the region.

The TKC board and staff envision that by 2015 TKC will be a shareholder-managed \$100 million asset value village corporation. At the same time shareholders will receive benefits in the form of dividends, scholarships, and employment opportunities. More than just revenue, they want to give opportunity.

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MS. CAREY said that TKC is located in the poorest area in the region. She displayed a slide showing children in Stony River getting ready for the fishing season and noted that villagers rely heavily on subsistence. Barges deliver cargo and bulk fuel to villages that have no roads. Employment opportunities are

generally limited. Some residents find seasonal employment as firefighters and some work as teacher assistants. Teachers generally come from outside rural Alaska. About three jobs are available at either the tribal council office or the city office.

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She said that four-wheel ATVs are typical transportation and are very cold at -45°F. She displayed a slide showing snow machines with sleds and described this as a typical way to haul water or ice for domestic use. The Kuskokwim River is their road. In summer it is traveled by boat and in winter it is an ice road that's used by snow machines and ATVs. She displayed several slides showing a fish-drying rack, a fish cleaning and fillet table, a fish camp structure, and smokehouse. These are typical scenes in June and July when people go to fish camp to catch and prepare subsistence foods for use in the winter when food is limited.

MS. CAREY displayed several slides depicting typical homes in Cripple Creek, population 144, Chuathbaluk, population 112, and Stony River, population 56. In the very poor village of Stony River, just two of the homes have running water and one has a flush toilet. She pointed to a home that does not have running water and noted that two grandparents, three of their children, and ten grandchildren all live together. The cost of living is high.

MS. CAREY displayed a chart comparing the price of gasoline in a village to the price in Anchorage. If the cost is \$2.80 per gallon in Anchorage, Alaska, it is \$5.50 per gallon in these villages where residents don't have an income.

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CO-CHAIR RAMRAS encouraged members to also consider the component of degree days because the temperature in some of those communities is a great deal cooler than in Anchorage.

REPRESENTATIVE JOULE added that every business that offers a service adds a fuel surcharge, which has a domino effect on everything they have to do in order to live.

CO-CHAIR RAMRAS said he believes that that it's easy for some people in the U.S. Senate to look at the Native corporation buildings in Anchorage as a reflection of the standard of living of Alaska Natives in rural Alaska.

MS. CAREY said some people ask why the people in rural Alaska don't go to Anchorage to find economic opportunity, but flying from Stony River to Anchorage involves a plane change in Aniak and a cost of \$1,045 per person. Even so, many of these people do fly to Anchorage to go to Costco to do shopping for the year because it's cheaper.

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In 2008 when the price of gas in Anchorage was \$2.89 per gallon it was \$4.79 per gallon in Aniak, \$5.95 per gallon in Crooked Creek, \$8.00 per gallon in Red Devil, and \$6.35 per gallon in Sleetmute. When she visited Kalskag last week the last barge of the year arrived. Gas cost \$6 per gallon and that's at the beginning of the winter season. The cost of heating their homes for a year ranges from \$3,500 to \$4,000 and boat fuel costs about \$5,000 per year.

MS. CAREY displayed several slides showing a small store in Kalskag and comparable costs of food items in Aniak, Stony River and Anchorage. For example, a loaf of white bread in Aniak might cost four times what it does in Anchorage. The cost is even more in Stony River. The cost of meat is so high that it's clear why subsistence is needed in that area.

A 2007 data chart comparing village economy to the Anchorage economy emphasizes that this region along the Kuskokwim River is very poor. When Anchorage had 7.4 percent of the population living below poverty level, the figure for Stony River was 38.7 percent. A subsequent slide shows a person dumping a honey bucket, a common scene since most people do not have flush toilets in their homes. Among the 10 TKC villages, between 10 percent and 57.7 percent live below the poverty level.

MS. CAREY displayed a number of slides showing scenery, a church and typical homes in the region. In one slide, she recognized board member Iyana Gusty. He is a respected Yupik Eskimo elder who does not read or write, but is an accomplished barge captain on the Kuskokwim River. Unfortunately, he is now showing signs of dementia and a 10 year relative is now taking care of him in his home that has no running water.

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Potential economic opportunity in the region includes Donlin Creek. If it becomes a working mine, it could provide over 500 construction jobs. The next several slides show the location of Donlin Creek and the current project.

MS. CAREY outlined the following social impacts in these villages: unemployment, high cost of living, few economic opportunities, teenage pregnancy, drug and alcohol abuse, and high suicide rates. She noted that recently the board did stock transfers for three 20-year-olds who committed suicide.

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MS. CAREY said that the 8(a) program will provide economic value if TKC makes more income and is able to provide shareholders with higher dividends. TKC is also working on employment opportunities, including construction projects in the Lower-48.

She displayed a bar graph depicting the TKC balance sheet as follows:

	<i>April 30, 2009</i>	2008	2007
<i>Current Assets</i>	\$36.5m	\$34.7m	\$27.1m
<i>Liabilities</i>	\$19.3m	\$18.6m	\$ 8.4m
<i>Shareholder Equity</i>	\$17.2m	\$16.0m	\$18.7m

She displayed a line graph and said that TKC has paid out more than \$9 million in shareholder dividends. She noted that shareholder equity would be higher had TKC not paid those dividends, but that is an important source of income to shareholders.

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CO-CHAIR RAMRAS asked how many of the 3,100 TKC shareholders live in the 10 villages.

MS. CAREY replied historically it's been 51 percent but last year it dropped to just 36 percent. Our people are moving to Anchorage because of economic issues in the villages, she said.

She displayed the following TKC income statement:

	<i>April 30, 2009</i>	2008	2007
<i>Revenues</i>	\$13.9m	\$30.6m	\$14.7m
<i>Expenses</i>	\$12.4m	\$30.9m	\$13.9m
<i>Net Income</i>	\$ 819.8t	\$ (223.1t)	\$ 4.4t
<i>Gain on Sec.</i>	\$ 255.2t	\$(1.6m)	\$ 44.4t
<i>Comp. Income</i>	\$ 1.0m	\$(1.8m)	\$ 4.5m

MS. CAREY noted that their balance sheet today is \$45 million, which in large part is due to the 8(a) program. They hope to reap those benefits to shareholders as they continue to grow.

She displayed a bar graph showing TKC assets from 2004 projected to 2015. Their vision is to be a \$100 million corporation by 2015. The current \$45 million shows TKC is slowly getting there, she said.

TKC also provides scholarships to shareholders through the Kuskokwim Educational Foundation Scholarship Program. Individuals are able to receive up to \$2,000 each year. Last year TKC provided \$22,000 to 23 recipients. Hopefully that too will grow.

MS. CAREY displayed a slide showing students in the Red Devil, Alaska school role-playing as she teaches them how their for-profit village corporation works.

She thanked the committee and restated that she hopes that TKC can continue to provide benefits to shareholders and continue to grow with the 8(a) program. "There are so many village corporations who have not even tapped into this yet," she again pointed out. Hopefully the new CEO association will help educate others about the benefits of the 8(a) program.

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CO-CHAIR RAMRAS highlighted that it's been statistically demonstrated that rural students who have gone through the Rural Alaska Honors Institute (RAHI) scholarship program are twice as likely to matriculate to a college degree. He asked if TKC follows scholarship recipients to know how many complete a degree program.

MS. CAREY replied she doesn't have the statistics, but when she started with TKC 16 years ago it wasn't uncommon for students to attend college for just 6 months before dropping out. Now she knows of three shareholders who are being funded to get their masters degree.

CO-CHAIR RAMRAS suggested she gather the statistics because that is a touch point to present to Congress.

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REPRESENTATIVE JOULE commented on the recent passing of the founder of the Dragon Slayers in Aniak who was responsible for many young ladies going on to enter healthcare programs. If a corporation is sufficiently healthy that it can similarly turn around and help young people, then it is returning large dividends.

MS. CAREY added that as these for-profit corporations continue to grow, they are not only able to pay dividends to shareholders but also to provide other economic benefits. This is a huge area in which to grow, she said.

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CO-CHAIR MCGUIRE observed that the state struggles with similar challenges. Last last year it gave every Alaskan a \$1,200 energy rebate yet some people in this community are still struggling to pay their energy bills. Their rebate money is gone and they made no refits that would reduce energy consumption. The payment was appropriate, but it doesn't address the need for basic infrastructure.

CO-CHAIR RAMRAS asked if TKC pays taxes to the federal government.

MS. CAREY said yes.

CO-CHAIR RAMRAS suggested that she highlight that point to demonstrate that the federal government is getting its share of the work that corporations are doing through the 8(a) program.

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BARNEY UHART, President, Chugach Alaska Corporation (CAC), said he has been employed by CAC for the past 16 years and involved in federal contracting for the past 30 years. His testimony will be specific to the benefits that the 8(a) program has provided to Chugach Alaska Corporation.

MR. UHART explained that CAC, which is the regional corporation for the Prince William Sound area of Alaska, includes five Native villages and the communities of Cordova, Valdez, Whittier, and Seward. The corporation was created in the '70s; its first businesses included fish processing, timbering, and minor construction and maintenance on TAPS. In the late '80s CAC made a poor investment choice to build a sawmill in Seward, had a devastating cannery fire, experienced a glut in the salmon industry, and saw timber prices fall. Then in 1989 the Exxon Valdez spilled 11 million gallons of oil in the heart of the Chugach region. Many people did and continue to think that was the keystone event that forced CAC into Chapter 11 bankruptcy in the early '90s. In 1991 the corporation had revenue of less than \$10 million and net losses approaching \$64 million.

In 1994 CAC received 8(a) certification and was awarded an airport caretaker contract at King Salmon Alaska. The last of

the bankruptcy creditors were paid off in 2000 and shareholders were paid a \$5 per share dividend. Since then CAC has developed additional benefits including internships, apprenticeships, scholarships, elder dividends, shareholder business assistance training, and succession planning and training. A corporate goal is to have only Alaska Natives running the corporation.

As a result of the success in 8(a) programs along with other forms of contracting and investment opportunities, revenue in 2008 approached \$1 billion. The Alaska Business Monthly ranked CAC fourth in Alaska-owned businesses; the corporation has ranked in the top five for past seven years. The 8(a) program has provided the corporation the opportunity to dig itself out of bankruptcy and achieve success. To Chugach shareholders, the greatest benefit to the 8(a) program is that CAC is still here.

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REPRESENTATIVE DOOGAN questioned why the 8(a) program has suddenly become so interesting to people in Washington D.C.

MR. UHART replied it's a combination of things and it's not new. Over the past several years a lot of attention has been focused on sole-source or no-bid contracting. Native corporations have a different statutory model, but it may be that they are an easier target than the Lockheed Martins of the world.

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ROY TANSY, JR. Chief Operating Officer, Ahtna Inc., explained that Ahtna was incorporated in 1972 and did a lot of profitable contracting with Alyeska Pipeline Service Company on the TAPS pipeline. Alyeska work declined and Ahtna Inc. started its first 8(a) company in 1994. By the late '90s it had four 8(a) companies that generated about \$50 million in annual revenue. An overly complex management structure and some wrong-doing by management brought Ahtna to the verge of bankruptcy by 2001. Management was changed and ownership of companies was made more transparent. In 2005 Ahtna was able to secure an \$80 million three-year 8(a) contract that enabled it to climb out of the hole. Today Ahtna owns 100 percent of ten companies; four are in the 8(a) program and revenues approach \$225 million. Those 8(a) companies have fueled other economic development for the corporation, Mr. Tansy said.

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MR. TANSY said that about 45 percent of Ahtna's budget is dedicated to shareholder benefits including scholarships, ten internships, and \$3,000 death benefits to shareholders. The

corporation has been able to address issues and protections such as the homesite program, culture preservation, and subsistence preservation. Ahtna Inc. issued \$500,000 in dividends in 2007 and 2008 and this year it started an elder benefits program and opened its stock to new shareholders. Ahtna Inc. currently has 1,322 shareholders.

REPRESENTATIVE DOOGAN asked what would happen to the corporation if Congress were to do away with the 8(a) program.

MR. TANSY speculated that economic development would be hampered. The more mature companies have proven they can move forward but Ahtna puts profits from 8(a) operations into things that aren't necessarily profitable including tourism, regional development, and energy. Those would suffer.

REPRESENTATIVE DOOGAN summarized that the corporation would make it as a business, but the parts of that business that benefit the people in the region might suffer.

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REPRESENTATIVE TUCK asked if Ahtna is competing against other Native corporations for these 8(a) contracts.

MR. TANSY said absolutely.

REPRESENTATIVE TUCK commented that there needs to be a system whereby the public understands completely how the 8(a) program benefits everyone, particularly villages in Alaska.

MR. TANSY agreed, adding that increasing shareholder hire is equally important. He noted that last year Ahtna had about 122 shareholders working fulltime for the corporation, which was roughly one-third of its Alaska operations. The corporation had 1,600 employees and the shareholder payroll was about 10 percent.

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CO-CHAIR RAMRAS reminded members that the contracts go where the federal services are required. The issue isn't about trying to push services into rural Alaska. The discussion today is about keeping 8(a) opportunities intact so that minority groups have a way to compete. When those contracts bring a profit, the revenue is repatriated to these rural communities and villages.

Finding that no one from the Bering Straits Native Corporation (BSNC) was available to testify, Co-Chair Ramras relayed that

BSNC is building a series of small wind turbines outside of Nome. Local residents will be trained to do the service work and energy will be more affordable for the community. "And there is a direct relationship between the 8(a) contracts ... and what some of these corporations are doing with some of their profits," Chair Ramras stated.

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TOM HARRIS, CEO, Tyonek Native Corporation (TNC) said he is a member of the Tongass Tribe. His comments will be in regard to his position as CEO and as a Tlingit who understands the importance of what Tyonek has been to ANSCA. The Tyonek Native Corporation predates ANSCA as a result of the land claims issues that the village of Tyonek wrestled with.

MR. HARRIS explained that Native elders don't stop teaching a child until he or she says, "I can do it for others." He described the process as "dependent, independent, and interdependent" and described the task that was given to the Native corporations an interdependent and entirely congruous with tribal cultures. One of the early interdependent decisions that Tyonek Native Corporation made was to help fund the first AFN convention.

TNC is comprised of more than 700 shareholders that come from the community of Tyonek, which is on the west side of Cook Inlet. It has 12 subsidiaries with about 700 employees in eight states. TNC has grown from its original 229 shareholders only because of the success of the 8(a) program. TNC opened the roles for the children so that they may become interdependent. TNC provides scholarships, dividends, internships, funding for cultural activities, life insurance, and currently is working on a shareholder homesite program. This is all to further interdependence.

MR. HARRIS, noting that the packet contains development work TNC is doing, said TNC looks upon those developments not as an independent company where it would keep all the profits but in its role as an interdependent member of the interdependent community. He said you're not serving in your current position for personal profit; you are interdependent people and you have earned the right to be our leaders. We are looking to contribute back. We recognize and appreciate that the federal government has given us an opportunity to be 8(a) and we are looking at our next role, which is not being dependent, not being independent, but to do for others. "Others" includes the non-Native community. We count Anchorage in the expanded interdependent

community and we see it needs significant power, he said. As a result, looking around our community we find that 900 megawatts of power will be available in the not too distant future. We recognize that in welcoming those projects we are going to be welcoming the 5,000 construction jobs that have been identified for that area.

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MR. HARRIS said 8(a) is helping us prepare for those jobs. Without 8(a) we would be a dependent community and would be forced to become a poster child for one of the many environmental groups who want to take us on. We're not interested in that; we're interested in being contributing members to our expanded community.

CO-CHAIR RAMRAS asked him to repeat that because it goes to the heart of the matter.

MR. HARRIS restated that TNC wants to be an interdependent community and 8(a) contracting has helped it to become a strong and contributing member of the interdependent community. Were it not for 8(a), TNC would be a dependent community and a poster child for many outside groups that have offered help and protection. We understand that, he said. "We were originally called the 'coal people;' that's how we kept the villages warm."

MR. HARRIS directed attention to a handout and noted that about \$18 billion in development projects are being planned by people from outside the state and nation. The development opportunities in this area are tremendous and TNC is planning to create a new community called Nakacheba. That is the deny word for nowhere, he said. This new community is designed to be part of the interdependent community that will house 5,000 construction members. Next to the coal is the Chakachamna hydropower project and next to that is the geothermal project. Part of the coal is not open pit mining. There is opportunity for dozens of underground coal gasification systems and coal to liquid.

MR. HARRIS said this state and you as interdependent leaders need to be aware that TNC has had more visitors from outside the nation than it has had from inside the nation and more from outside the state than from inside the state. They're coming in part because of the study that the state paid for in 1993 identifying Tyonek as the most cost-effective bulk commodity support site in Southcentral Alaska. The Asian trading companies say that is an understatement. Rather, Tyonek is the most cost-effective bulk commodities port site in the North Pacific Rim

with 900 megawatts of available cheap power directly adjacent. He added that the new ferry that's being built in Ketchikan will serve not only Point Mac Kinsey to Anchorage it will also serve the community of Tyonek and the new community of Nakacheba.

MR. HARRIS said Tyonek is also a community dedicated to protecting wildlife in order to protect the food resources. Today most of the upper Cook Inlet has lost its king salmon, but the Chuit River adjacent to the village still has its run because the village has protected the spawning beds. "We are looking as an interdependent member of this community to use that to rebuild those other rivers," he said. Our elders know not to take king salmon out of the food chain when the beluga whale calves are nursing. Our legends say the stocks can be rebuilt and as part of an interdependent community we are encouraged to share this information.

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MR. HARRIS reflected on the cost of food in rural Alaska and said the permanent fund has been a wonderful resource that's kept communities alive, but unfortunately it has been used to buy food that could have been grown locally. It's been documented that Alaska is the least wildlife productive state in the nation. Compared to other states it receives almost no USDA/NRCS [Natural Resources Conservation Service] funding to rebuild wildlife habitat and populations. To put it in perspective, he said, one moose is worth nine of this year's \$1,300 permanent fund checks. So when a village loses one moose, the food for nine members of that community is gone. He added that the other sad fact is that 97 percent of wildlife grown in the Lower-48 is on private land. Only 12.5 percent of Alaska lands are ANSCA lands and perhaps one percent of the rest are [private] lands. Clearly, we've got a big problem that can't be solved without working together, he said.

CO-CHAIR RAMRAS said you articulated a unique currency conversion that some in Washington D.C. might find difficult to contemplate. It's what hard dollars mean to the subsistence communities that make up the cultural identity of Alaska. The conversion of the permanent fund to moose meat to maintain a subsistence lifestyle is equally appropriate.

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REPRESENTATIVE JOULE said he appreciates the testimony and is getting a sense from this Legislature of the Alaska Native place and contribution to this state. This has been lacking for many years and as an Alaska Native who is serving from rural Alaska

he very much appreciates this. More importantly, there is finally a sense of something that we've known for a long time, which is that we must face these challenges together. He added that he read a little bit more into Tom Harris's last remarks on the value of the moose by the things that he did not say. That is that the moose does not know land or government jurisdiction. Neither do the fish and other species that make their contribution. We have a challenge in managing all these resources. "All those things he didn't talk about were present as I was listening," Representative Joule said.

He continued to make the point that it's not rhetorical to ask if the state might benefit by looking at the 8(a) model. When 8(a) money comes home to the parent corporation in some form or fashion, it often creates employment someplace else. When state money passes through DOTPF or some other department it might never end up as a boardwalk or a road in rural Alaska.

Representative Joule said that Native 8(a) contracts have been very beneficial here in Alaska and it is interesting that they have become a focal point because they're such a small piece compared to the big corporations that do get those sole-source contracts. "I can't help but think that this is some sort of diversion," he concluded.

CO-CHAIR RAMRAS said he is told that official transcripts will be available in about two weeks. Check with Representative Joule's, Senator McGuire's, or his office for copies.

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CO-CHAIR MCGUIRE said she is delighted that in the last two years there is a renewed effort in the Legislature to have conversations to try to bridge the gap between rural and urban Alaska. When we talk about things face-to-face it helps us to move further. This has been heartening and it's a formal hearing for the specific purpose of letting the people in Washington D.C. know that the Alaska State Legislature is an advocate for the 8(a) program and see the benefits.

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There being no further business to come before the committees, CO-CHAIR RAMRAS adjourned the joint meeting at 1:42 p.m.