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The Honorable Peter R. Orszag  
Director, Office of Management and Budget  
Eisenhower Executive Office Building  
16500 Pennsylvania Avenue, NW  
Washington, D.C. 20503

Dear Director Orszag:

On October 28, 2009, President Obama signed into law the *National Defense Authorization Act for Fiscal Year 2010*. The bill included a section with government-wide destructive implications for the Native American 8(a) program. Section 811, of the NDAA contains language requiring a new government-wide justification and approval process for Native American 8(a) sole-source contracts over \$20 million. While the language does not expressly limit Native 8(a) sole source contracts, it effectively would create a chilling effect on all contracting officers government wide to limit the use of the Native American 8(a) program.

As you may know, federally recognized Indian tribes, Alaska Native corporations formed pursuant to the Alaska Native Land Claims Settlement Act, and Native Hawaiian organizations are eligible for contracting preferences that support the economic development of rural and remote Alaska Native villages and Indian reservations. With limited economic opportunity in such remote Native communities the myriad effects of poverty including substance abuse, suicide, and domestic violence permeate Native communities and contribute to the high education and health disparities that exist in our Native communities. The Native American contracting program is one of the few government programs that enable Native communities to create economic opportunity with the hope of lifting entire villages or reservations out of the pervasive poverty that affects our Nation's first Americans.

I certainly welcome fair oversight and thoughtful reform of the Native 8(a) contracting program; however, the language included in the NDAA did not provide for tribal consultation, nor the input of those affected, but was included at the 11<sup>th</sup> hour in a conference agreement. I am deeply discouraged by the language included in Section 811 of the *National Defense Authorization Act for Fiscal Year 2010*. It is language that history will judge as one of those ill-conceived federal Indian policies. I strongly urge that if Section 811 is implemented, the Office of Federal Procurement Policy provide a clear process for contracting officers with the intent of preserving the Native American contracting program.

Sincerely,



Senator Lisa Murkowski