

Opening Statement of Senator Lisa Murkowski
Subcommittee on Contracting Oversight
Senate Homeland Security and Government Affairs Committee
July 16, 2009

Today, the subcommittee takes testimony on the question of whether a law intended to provide Indian tribes, Native Hawaiians and Alaska Native Corporations with the opportunity to establish viable business enterprises selling goods and services to the federal government is a flawed one.

My views on the subject are informed by the six years that I have served as a member of the Senate Committee on Indian Affairs, including a stretch as the Vice Chairman of that committee.

I believe that the Indian 8(a) preferences are achieving important economic development objectives and are well worth preserving as a matter of federal Indian policy.

Our Nation has a special relationship with its first peoples, which has been recognized since the founding of this country. That special relationship is expressly recognized in our Constitution.

It is also well established that our great Nation has a long history of imposing ill conceived policies on Indian tribes and Native peoples. This Senate acknowledged as much when it attached Senator Brownback's apology resolution to the Indian health care bill in 2008.

Our Native people live in some of the poorest, most geographically and most economically isolated places in the country. Some in conditions that resemble third world countries. Our Native people struggle to maintain their traditional cultures in an era in which subsistence hunting, fishing and gathering simply do not generate sufficient resources to keep one's house warm in the winter.

As we begin this inquiry, we must keep firmly in our mind that the preferences we are discussing today are an exercise of federal Indian policy -- to mitigate the impact of past ill conceived policies and to help our Native people maintain their unique cultures and identities and survive in the modern world.

Although today's hearing is labeled an inquiry into Alaska Native Corporation contracting, let me make clear that there is no such thing as an Alaska Native Corporation preference in government contracting. There is a preference for Indian tribes, which includes Alaska Native Corporations as well as Native Hawaiian organizations. The opportunity was structured in a way that they would be meaningful to the challenges of economic development in Indian Country and provide financial benefits that could be shared among large numbers of tribal members. All of that is at risk today. While the hearing is labeled Alaska Native Corporations, nobody in Indian Country believes that the consequences will not fall equally on all beneficiaries of the Indian 8(a) preferences.

Now there are some who say that this program really isn't important to anyone other than Alaska Natives. We will hear much today about how some Alaska Native Corporations have done well,

perhaps, perhaps too well in pursuing these opportunities. That does not mean they are less important to other Native Corporations or to Indian Country as a whole.

The history of economic development in Indian Country suggests that Native leaders frequently look at which kinds of businesses are working in Indian country and adopt the successful business models of others – all in their own time. This has certainly been the case with Indian gaming and all indications are that interest in government contracting among the tribes is rising.

The sad truth is that there are very few business models that have provided any modicum of success for tribes and Alaska Native Corporations. From my conversations with Indian leaders there seems to be unanimity that the 8(a) business opportunity holds great promise for Indian economic development and it is an opportunity worth saving. I expect you will hear the same from the Native leaders that are testifying today.

This Senator does not believe that these contracting preferences undermine the integrity of all federal contracting. While the dollar value of some individual contracts may be substantial, taken together all of the contracting under this preference accounts something on the order of 1 percent of the total federal contract pie. And I am deeply concerned by the suggestion that a victory for the Indians is a defeat for businesses enjoying preferences through other socioeconomic classifications. Surely, there must be a way to win for all.

Let me be clear about the stakes here. Congress enacted a law giving Indian owned and controlled entities an opportunity to build federal contracting businesses. Many rose to the challenge and have fully committed their tribes and business enterprises to these opportunities. Some of these businesses are maturing... others just starting.

Our Native leaders have entered into contracts, hired people, created systems, and focused all of their energies on learning this business. Now that same federal government threatens to pull the rug out from under them.

I fear that we are moving down the road to breaking yet another promise to the Indians. If we are not careful policy changes prompted by this subcommittee's inquiry will go down in history as another of the ill conceived policies that we in the Congress are later forced to apologize for.

I do thank the Chair for inviting me to participate and look forward to the testimony of the witnesses.

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