



Statement of Senator Daniel K. Akaka
Subcommittee on Contracting Oversight of the
U.S. Senate Committee on Homeland Security and Governmental Affairs
July 16, 2009

Chairwoman McCaskill, thank you for conducting this hearing. I appreciate the opportunity to be here as we discuss this important matter.

As Chairman of the Subcommittee on Oversight of Government Management, I recognize the need and importance of ensuring appropriate oversight measures are in place for federal contracts. Failure to have skilled contract officers in place at federal agencies can negatively impact the process and risk the loss of billions of tax payer dollars due to inefficiencies and in some cases fraud. That is why, I am pleased by your efforts to review federal contracting practices.

Today we are here to examine just one aspect of federal contracting, federal contracts with Alaska Native Corporations (ANCs). In our review, it is appropriate that we acknowledge the federal trust relationship the United States has with Native Americans, including Alaska Natives. The U.S. Constitution under the Indian Commerce Clause, vests Congress with the ability to regulate commerce with Indian Tribes. Congress has utilized this well established authority to enact policies that address the unique circumstance and needs of Alaska Natives.

For the past 19 years, I have worked with Senator McCain, Senator Murkowski, Senator Dorgan, and others as part of the Senate Indian Affairs Committee to protect and advance this unique trust relationship with our nation's first Americans. From

experience we know that successful federal Indian policy enables American Indians and Alaska Natives to be a full partner with the federal government. We have seen much more enduring and meaningful results when native people are allowed to maintain their cultural, communal commerce and local political systems to adapt and address the impact of an America that has rapidly changed around them.

As we review the experience of ANCs in the Small Business Administration 8(a) program, we must be mindful that Congress deliberately established this corporation structure to empower Alaska Natives to develop sustainable economies that benefit their communities. Under the Alaska Native Claims Settlement Act, Alaska Natives were required to establish corporate vehicles, quite similar to tribal corporations, with vital differences – to promote a more robust commerce it provided control of a portion of their aboriginal lands in fee simple title, rather than the establishment of reservations, and required the engagement of commerce and enterprise to be separate from their tribal government.

Congress established the SBA 8(a) business development program to connect the growth of American business enterprise directly to the needs for goods and services of our federal government. It has shown success and great promise for the growth of women-owned, veteran-owned and minority-owned firms, and has changed the socio-economic standing of thousands of Americans. Recognizing the success achieved with individually owned firms, in the 1980's Congress established provisions within the 8(a) program to include the unique corporate vehicles of American Indian and Alaska Native enterprises. Today, ANCs are responsible for providing more than just profits, but are responsible for the welfare and long-term survival of their people and indigenous culture.

As proposals may come forward to address oversight issues related to ANCs, I am hopeful we will proceed honorably, in a manner that respects and strengthens the government-to-government relationship between the United States and Alaska Natives. The United States and Alaska Natives are partners and development of any policy

should be a collaborative effort. Again, thank you Chairman McCaskill for holding this hearing. I look forward to hearing from our witnesses today, who will offer their expertise on this important matter.