

Doyon, Limited, CIRI and Arctic Slope Regional Corporation
Opinion Piece

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Proposal Will Help Native Corporations Grow Into Future

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The Small Business Administration 8(a) program is a valuable tool for Alaska Native corporations fulfilling the mission of the Alaska Native Claims Settlement Act (ANCSA) to be engines of economic and social development. And, in the face of increased scrutiny of businesses participating in the federal procurement system, it must be sharpened.

The Small Business Administration's (SBA) 8(a) business development program helps qualified small and disadvantaged businesses pursue certain federal contracts. Alaska Native corporations are certified as minority-owned, disadvantaged SBA 8(a) businesses under laws enacted by Congress.

As corporations that represent the interests of thousands of Alaska Native shareholders and their descendants, we recognize that change to the 8(a) program is inevitable. By proposing changes, we become an important part of the process. Without participating in the process, Native 8(a) companies risk losing the right to participate in the program. We cannot let that happen.

Last week, Arctic Slope Regional Corporation, CIRI and Doyon Limited submitted proposed reforms to the 8(a) program -- "The Agenda for Transparency, Accountability and Integrity" -- to the U.S. Small Business Administration. Our proposed reforms will increase accountability and decrease the potential for abuse while maintaining the program's goal to encourage the growth of sustainable businesses that directly improve the livelihood of socially and economically disadvantaged populations.

We believe 8(a) can be improved by promoting competition for large government contracts, with a cap of \$100 million on 8(a) sole source awards, and prohibiting non-competitive contracts from being rolled over between affiliated entities; strengthening enforcement and sanctions against Alaska Native corporations that repeatedly violate program requirements; and requiring Native 8(a) companies to track and report how 8(a) contracting benefits the communities the companies were created to serve.

Our proposed reforms are the culmination of years of work, discussion and dissent. They are designed to improve on the successes of an 8(a) program which benefits many of our companies and shareholders. We understand that not everyone in our community will agree with our proposal, but improving 8(a) is the right thing to do.

Here is why.

At its heart, ANCSA creates opportunities, not entitlements, and was government's best attempt to support Alaska Native corporations, their shareholders and descendants with opportunities to thrive.

ANCSA created Alaska Native corporations so they could stand on their own and empower their shareholders with participation in the state and national economy by doing business, generating jobs, earning profits and distributing appropriate dividends -- all the while taking Alaska Native values into account and balancing the needs of current and future shareholders. It is a complex task. Unlike other businesses, Alaska Native corporations must focus their goals to provide shareholder value in perpetuity.

Capitalism, embedded in ANCSA through the establishment of for-profit Alaska Native corporations, offers self-determination to Alaska Native people beholden to a model of sustainability.

This is an obligation to be taken seriously. ANCSA -- and the Alaska Native corporations it created nearly 40 years ago -- drives economic growth for hundreds of thousands of Alaska Natives, now and for generations to come. Our corporations are, by definition, true corporation citizens, and 8(a) is a critical component to our community. The financial and societal impacts of Alaska Native corporations and their 8(a) companies cannot be overstated. Profits are shared with thousands of shareholders, not just a few business owners, many in the most remote and underserved regions of the country. Net income is invested to train and educate current and future generations of shareholders, grow businesses and support nonprofits. Participation in the 8(a) program has helped Alaska Native companies diversify their business models and transform our state's economy.

Expanding opportunities for Alaska Native corporations under the 8(a) program should remain a priority of the federal government. As Alaska Native corporations, we have a mandated right to participate in the programs available to us. With that right comes the

responsibility to improve the 8(a) program to ensure Alaska Native people have access to it now, and for generations to come.

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