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## We should be celebrating success of the 8(a) contracts

**COMPASS: Other points of view**

By JANA TURVEY

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After Congress created Alaska Native corporations (ANCs) and told them to go forth and prosper, it gave them a tool to help them succeed.

Congress changed the rules for ANCs, tribes and Native Hawaiian organizations, so aboriginal-owned companies could better compete for federal contracts through the Small Business Administration's 8(a) program.

It's taken a decade, but now that Native 8(a) is working as Congress intended, some want to take away the very provisions that made it a success. They just don't understand how important 8(a) is to an economy almost totally dependent on natural resource extraction. They don't understand that the profits gained by ANCs allow benefits to be provided to the shareholders who live in the most disadvantaged corners of the state.

Let's revisit history for a moment. When Congress passed the Alaska Native Claims Settlement Act, it wanted to create a model for success far different from the challenged reservation system in the Lower 48. It wanted the ANCs to mature into economic powerhouses that could meet the needs of their shareholders, who are among the most impoverished people in the nation.

Congress understood that the land and seed money it gave the ANCs for relinquishing their claims to millions of acres of oil-rich land only allowed for minimal survival, not business success. It recognized that most of the land chosen by ANCs has little to no commercial value -- and was picked for its subsistence values. It knew that ANCs have limited opportunities in Alaska, but huge obligations to their shareholders, so it gave them entry to the business world outside Alaska through the 8(a) program.

For some ANCs, the 8(a) program has transformed their existence and ensured their survival. It has allowed some corporations, like Chugach Alaska, to be pulled back from the brink of bankruptcy and shareholders are starting to see real benefits -- precisely the reason Congress created the program.

We should be celebrating the program's success and supporting its expansion. Native 8(a) contracting accounts for less than 2 percent of all federal government contracting -- a tiny drip in a large reservoir.

But that tiny drip makes a huge splash in Alaska's economy. This year the Alaska Business Monthly called the ANCs "the foundation for a healthy economy."

I lose sleep at night over why anyone would oppose such a successful program. Why anyone would think a welfare check is better than a dividend from an honest program that delivers real value to the American taxpayer at a competitive price?

As I toss and turn, I hope you will consider a few of the facts before making up your mind about 8

(a). I also encourage you to go to [www.native8aworks.com](http://www.native8aworks.com) for some in-depth information about the program.

Government contracting is a huge business that is highly concentrated and dominated by a few very large companies. In 2007, the five largest contractors received almost 24 percent of the total contract dollars awarded, almost 70 percent came from sole-source contracts ([www.fedspending.org](http://www.fedspending.org)).

Native enterprises give the government alternatives for procurement, provide competition to the big companies and give the taxpayers more value for their dollars.

The 8(a) program does not guarantee a contract or give an unqualified company any advantage. It simply makes Native businesses eligible for work.

Is the Native 8(a) program perfect? No, which is why we have worked so hard with SBA to tighten any loopholes and make the program more transparent. However, I do want to point out that profits from 8(a) contracts are only in the 3 percent to 5 percent range, far below what Wall Street would deem acceptable.

But it is better than the alternative, which is a failed welfare system. We need to expand, not contract, Native 8(a) contracting.

Native 8(a) contracting puts people to work, builds sustainable businesses and cultivates economies in some of this nation's most impoverished communities. It helps to build sophisticated business capacity that will continue to pay dividends for decades to come.

And it does it while providing quality services and cost-effective products to the federal government -- while giving the taxpayers more value for their dollars.

This is a program that does what it was intended to do -- it works.

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