



The National Center *for American Indian Enterprise Development*

Statement
of
The National Center for American Indian Enterprise Development (The National Center)
on
“Economic Self-Determination in Action:
Examining the Small Business Administration Native 8(a) Program”
for the
Oversight Hearing
of the
Senate Committee on Indian Affairs
February 10, 2026

Chair Murkowski, Vice Chair Schatz, and Committee members, The National Center for American Indian Enterprise Development (The National Center) commends you for holding this oversight hearing on the Small Business Administration (SBA) Native 8(a) Program. The National Center appreciates the opportunity to present its views on this valuable program, its origins, and its importance as a preeminent federal program that advances business and economic development and self-determination in Indian Country.

Background on The National Center and Native 8(a) Program

The National Center: As the oldest and largest nonprofit business service provider in Indian Country, The National Center is a driving force for supporting not only Tribal Nations, but also Tribal enterprises and Native entrepreneurs – many 8(a) program participants. We are headquartered in Mesa, Arizona and have offices across the country and in our nation’s capital. The National Center works to ensure that its clients acquire entrepreneurial skills, receive business assistance and training, and meet potential business and financing partners. Our National Center APEX Accelerator’s offices provide procurement technical assistance to 8(a) program participants and applicants throughout our coverage territory (33 states within three Bureau of Indian Affairs (BIA) Services Areas). We have worked with most of the Tribal Nations in the United States and assisted hundreds of thousands of Tribal- and other Native-owned businesses. This past year alone, the National Center’s nearly 2,700 clients earned \$855 Million in contract awards. Our work took us to 26 states and three countries – from New Zealand to Maine. This year, The National Center will host its 40th annual Reservation Economic Summit, commonly known as RES, where 5,000 people will gather for four days of training workshops, informative sessions, inspiring speakers, business match-making meetings, and a large trade show featuring both Native and non-Native enterprises.¹

¹ See <https://res.ncaied.org/>

The National Center’s perspective on the topic of this hearing is based on countless hours of assisting Native 8(a) enterprises as they struggle to grow, diversify, thrive and return economic benefits to their Native communities and other areas where their companies generate tax revenues and jobs. Training sessions at our annual RES conference and periodic Native Edge Institute workshops across the country provide opportunities for potential applicants and existing Native 8(a) enterprises to learn from contracting experts. These sessions offer valuable guidance on how to apply, prepare the requisite business plans, get certified, seek contracting opportunities, deal with contract performance issues, and employ best practices to ensure compliance with the spirit and letter of the 8(a) rules.

We find the Native 8(a) program works best when the Native community’s political and business leaders do their due diligence to understand the intricacies and responsibilities of operating federal contracting companies and hire experienced managers (whether Native or non-Native) who know or can quickly learn how to navigate procurement rules and market effectively. Some Tribes may decide contracting is too difficult and risky for margins they consider too low. Others are finding that contracting offers a chance to diversify their economy, and operate both on their remote reservations and beyond, wherever their government customers require them to locate. In short, the Native 8(a) program is proving to be an effective procurement tool and economic development program, as Congress intended.

Foundation the Native 8(a) Program

The National Center’s leaders have long played a pivotal role in urging federal action to support Native business development, especially the Native 8(a) program, repeatedly testifying before Congressional committees and submitting comments for tribal consultations and federal rulemakings. For example, we submitted testimony for a 2006 House joint oversight hearing examining the Native 8(a) program.² For a later Senate joint hearing in 2009,³ The National Center statement outlined the historical foundation of the program and Congressional intent to fulfill the federal trust responsibility to promote tribal sovereignty and self-determination:

“The governments of indigenous American Indians, Alaska Natives and Native Hawaiians were considered sovereign nations from their first interactions with European settlers. The U.S. Constitution’s grant to Congress of the power “to regulate Commerce . . . with the Indian Tribes” in Article I, § 8, ¶ 3, and its interpretation in subsequent landmark Supreme Court decisions, gave rise to the federal government’s special political “trust relationship” with and responsibilities to the Tribes. See Cherokee Nation v. Georgia, 30 U.S. 1 (1831); Worcester v. Georgia, 31 U.S. 515 (1832). These cases arose from violations of constitutional and treaty protections. Tribes across the country entered into treaties, giving up land in exchange for promises of federal protection and support for education and community development, only to suffer more treaty violations. The most sweeping losses for tribes in the lower 48 states resulted from the 1887 General Allotment Act’s forced conversion of more than

² *Government Contracting Activities Under Section 8(a) of the Small Business Act, Joint Oversight Hearing Before the House Comm. on Government Reform and House Comm. on Small Business, 109th Cong., 2nd Sess. (June 21, 2006) (Statement of The National Center on American Indian Enterprise Development).*

³ *Contracting Preferences for Alaska Native Corporations, Oversight Hearing Before the Ad Hoc Subcomm. on Contracting of the Senate Comm. on Homeland Security and Government Reform, 111th Cong., 1st Sess. (July 16, 2009) (Statement submitted by The National Center for American Indian Enterprise Development).*

90 million acres (two thirds of reservation land) from tribal ownership – often without compensation – to non-Indian settlers as “surplus” land. In the case of Alaska Natives, the 1867 Treaty of Cession promised them peaceful possession of their lands, the Alaska Statehood Act confirmed these rights, but discovery of rich oil fields changed everything. The Alaska Native Claims Settlement Act (“ANCSA”) caused Alaska Natives to relinquish 89% of their lands and created regional and village corporations to administer settlement funds and generate revenues for the benefit of their many thousands of Native shareholders. In short, the U.S. Constitution and many statutes bestow special rights to Native Americans based on their political “trust relationship” with the U.S. government, not on a racial classification designed to remedy past discrimination.”

When Congress authorized Section 8(a) of the Small Business Act for federal agencies to award contracts through the SBA to small, disadvantaged businesses, it also set a goal of at least 10% of all federal contract awards to such businesses, including those owned by American Indians, Alaska Natives and Native Hawaiians. In 1987 and 1988, the Senate Indian Affairs Committee held oversight hearings to determine whether Indian preferences in government contracting were effective, why so few Native-owned enterprises were participating in government contracting, and why a “President’s Commission on Indian Reservation Economies” report had found that government contracting and procurement policies, regulations, and procedures were significant obstacles to Indian reservation economic development.

In 1987, the Senate Select Committee on Indian Affairs held the first of several important hearings on Indian economic development. The National Center’s then President, Stephen Stallings, testified and recommended expansion of the Buy Indian Act’s application well beyond what he called the BIA’s “unchecked discretionary authority” to award substantial and valuable procurement opportunities to non-Native contractors.⁴ He reported not only BIA’s meager Buy Indian Act procurements (from \$10 million to only \$60 million from FY 1971-1983), no awards of 8(a) contracts to Tribal-owned companies. Only special arrangements made federal contracts available to Tribal enterprises through a 1983 Memorandum of Understanding between SBA and the Department of Defense (DOD) committing SBA to “receive” 150 fully completed applications for 8(a) status and “target” 75 of them for certification. As DOD had not provided the contract support promised, Mr. Stallings recommended improvements to the Buy Indian Act and 8(a) program.

When the Senate Committee held another oversight hearing in 1988 on “Barriers to Indian Participation in Government Procurement Contracting,” Mr. Stallings again testified in support of reform of the 8(a) program.⁵ He reported that the growth of contracting companies owned by Tribes and American Indian and Alaska Native individuals lagged far behind that of other groups (only 14,843 and generating gross receipts of just \$646.7 million). These numbers represented only 1.8% of the total number of small businesses, and with a mere 1.4% in gross receipts of all small disadvantaged businesses, combined.

⁴ *Indian Financing Act and Buy Indian Act, Hearing before the Senate Select Comm. on Indian Affairs, 100th Cong. 1st Sess. (1987)(Statement of Stephen Stallings).*

⁵ *Barriers to Indian Participation in Government Procurement Contracting, Hearing before the Senate Select Comm. on Indian Affairs, 100th Cong. 2^d Sess. (1988)(Statement of Stephen Stallings).*

Ronald Solimon, then CEO of Laguna Industries, Inc. (now on The National Center’s Board of Directors) also testified at the 1988 hearing about his company’s collaboration with Raytheon Corporation, SBA and DOD that led to a joint venture awarded a DOD contract.⁶ Mr. Solimon recommended amending Section 8(a) to enable tribes to achieve 8(a) certification for one or more companies and to joint venture with companies that could mentor them along the way.

Then Committee Chairman Daniel Inouye (D-HI) held these hearings to highlight the low level of federal (particularly defense) contract awards to Native-owned firms. In keeping with federal Indian policies, he acknowledged that it is Native groups’ “common trust relationship with the United States” that “allow[s] the Congress to legislate unique benefits and treatment for the Native Americans.”⁷

These hearings led to enactment of the Business Opportunity Development Reform Act in 1988 and other laws that added the 8(a) provisions that permit Tribal Nations, Alaska Native Corporations (ANCs) and Native Hawaiian Organizations (NHOs) – collectively referred to as “Native community-owned entities” or “Native entities” – to engage in federal contracting as representative organizations responsible for generating continuing income and jobs for, and improving the livelihood of, hundreds or thousands of their community members.

Preserve SBA (8) Contracting – Key to Economic Development in Indian Country

Fast forward, The National Center’s Board Chairman Derrick Watchman testified just last week at a House Indian and Insular Affairs Subcommittee hearing on making federal economic development programs, including the SBA’s 8(a) program, work in Indian Country.⁸ Noting that the Trump Administration has stated its top Indian Country priorities as expanding U.S. economic prosperity and making life more affordable, Mr. Watchman acknowledged these goals could benefit Indian Country in several ways. He listed: modernizing the tax code to provide relief to businesses and individual taxpayers; reducing federal red tape through deregulation; increasing federal and other investments in rural economic development; and strengthening local control to allow communities to make decisions that fit their own needs. Mr. Watchman also quoted the President as stating his first principle is to “respect tribal sovereignty and self-determination” through a commitment “to empower Native American communities with the resources they need to promote self-determination.” Yet, jeopardizing the advancement of economic development in Indian Country are some of the consequences of broad Administration actions that have impacted Tribal Nations and the Native 8(a) program, including:

- freezing federal funding streams or rescinding funding agreements that have disrupted operation of critical Indian Country programs and services, and resulted in loss of hundreds of millions of already-allocated dollars designed to benefit Tribal, local, and regional economies;

⁶ *Id.* (Statement of Ronald Solimon).

⁷ *Id.*

⁸ *Making Federal Economic Development Programs Work in Indian Country, Oversight Hearing before the Subcomm. on Indian and Insular Affairs, House Comm. on Natural Resources, 119th Cong., 2nd Sess. (February 3, 2026)(Statement of Derrick Watchman).*

- canceling and deprioritizing SBA 8(a) contracts with qualified Native entity owned and individual Native-owned businesses, which endangers economic growth in Indian Country, especially in rural areas;
- reducing the federal workforce – particularly at SBA and other federal offices serving Indian Country, hampering operational responsiveness and delaying critical funding, services, and technical assistance.

Mr. Watchman commended the SBA 8(a) program has having successfully enabled Tribes and Native-owned businesses to provide critical products and services across federal agencies. Also key, the benefits of the program flow back to tribal and other Native communities. Despite recent attacks and negative depiction in the news, the 8(a) program remains a critical tool for both federal procurement officers and Indian Country economic development, and must be preserved, strengthened, and used more extensively.

Another priority mentioned in Mr. Watchman’s testimony was enactment of improvements in the Indian Community Economic Enhancement Act of 2020, sponsored by Senator John Hoeven when he chaired this Committee. Section 3 strengthened the Department of Commerce’s Office of Native American Business Development (originally codified in a 2000 Act) to authorize its Director to report directly to the Secretary and operate with its own annual budget of \$2 million. Making this Office fully operational is essential to focusing more attention on Indian Country by Commerce’s various economic, procurement, trade and tourism agencies. Also important is ensuring that the Minority Business Development Agency continues to dedicates resources to increase federal contract awards to Native 8(a) and other Native-owned companies. Section 4 of the Act expanded the Buy Indian Act by directing the Secretaries of the Departments of the Interior (DOI) and Health and Human Services (HHS) to use Buy Indian procurement authority beyond BIA and the Indian Health Service (IHS) unless they determine such use is impracticable and unreasonable. The Act prompted DOI and HHS to update their implementing regulations, and required more outreach and training on expanded use of Buy Indian authority, procurement management reviews, and submission of periodic reports to Congress to ensure greater Buy Indian procurement utilization, enforcement and transparency. Buy Indian contracting increased substantially in FY2023, with a reported \$2.9 billion in contract value. Subsequent reports have yet to materialize.

Recommendations for Committee Consideration

In The National Center’s above-mentioned hearing testimony in 2006, 2009 and last week, we offered numerous recommendations to preserve and improve the SBA 8(a) and other federal economic development programs.⁹ To advance these priorities, we also collaborate with like-minded Native organizations to coordinate and publish Policy Briefs outlining our top policy recommendations. Accompanying this statement is the updated Administration Policy Brief endorsed and released this week by our group of 18 Native organizations.¹⁰

⁹ The National Center website’s Policy page posts these and other policy initiatives. <https://ncaied.org/what-we-do/policy-advocacy.html>

¹⁰ Participating partner organizations include: Native American Contractors Association (NACA), National Congress of American Indians (NCAI), Native American Financial Officers Association (NAFOA), National American Indian Housing Council (NAIHC), Indian Gaming Association (IGA), Native CDFI Network (NCN), United South and Eastern Tribes (USET), Affiliated Tribes of Northwest Indians (ATNI), Great Plains Tribal

Below we offer recommendations most pertinent to preserving and improving the SBA 8(a) and other federal programs intended to advance Indian Country business and economic development:

1. **Preserve and strengthen the SBA’s 8(a) program and Native participation:** Native participation in federal contracting delivers substantial benefits to both Native communities and the federal government. In fiscal year 2023 alone, these programs generated over \$1.4 billion used to support education, healthcare, elder care, and economic opportunity in some of America’s most underserved communities. Native business participation in the 8(s) program is not a DEI initiative, as confirmed by multiple federal agencies including Interior and SBA, but rather a statutory requirement that advances the federal government’s fulfillment of its trust and treaty obligations to Tribal Nations, Tribal citizens, and Tribal communities. As noted previously, Congress exercised its authority under the Indian Commerce Clause to establish the provisions governing Native participation in the 8(a) program. And the Supreme Court has consistently held that classifications based on Tribal citizenship and Native status are political, not racial, and survive constitutional review under rational basis scrutiny. The political classification of individuals with Tribal citizenship and Native status are essential to National Center clients.
2. **Ensure Fair Reviews of Native 8(a) Defense Contracts:** Reviews of Native 8(a) defense contracts should properly apply regulations, recognize mission-critical work confirmed by senior military leaders, and consider the national security value and transition costs associated with contract terminations. Secretary Hegseth has directed review of small business contracts exceeding \$20 million, with a stated focus on ensuring mission alignment and compliance with subcontracting limitations. This review has generated concern among Native contractors, many of which perform mission-critical defense contracts. We must emphasize that Native 8(a) contractors must comply with the same stringent compliance, reporting, and oversight standards as all other government contractors. Moreover, they make good on their 8(a) defense contracts, as acknowledged by the Department and other agencies.¹¹
3. **Stem SBA Reductions in Force and Increase Funding to Close Staffing Shortfalls:** As noted previously, the SBA and other federal agencies’ programs have suffered reductions in staff and funding. The National Center worries that significant personnel reductions have left SBA severely understaffed. Historically SBA’s review and approval of Native 8(a) applications have taken many hours, but not many months. The staffing shortfall and excessive workloads not only delay actions and approvals that result in Native small businesses losing contracting opportunities, but they also place SBA at risk of rushed reviews that may miss problems or enable bad actors to exploit gaps in oversight. We know the Committee has heard myriad complaints about federal staff reductions and shortfalls, and the downstream effects or delayed responses or reversals of staffing or program

Chairmen’s Association, Alaska Federation of Natives (AFN), Intertribal Agriculture Council, Native Farm Bill Coalition, and American Indigenous Business Leaders. In addition, The National Center participates in the Coalition on Tribal Sovereignty (CTS) that formed to serve as a unifying voice of national and regional inter-tribal policy-oriented, non-profit organizations to engage with federal policymakers on a broad range of critical issues affecting the sovereign interests, rights, and authorities of Tribal Nations, tribal citizens, and community members across the United States. See <https://coalitionfortribalsovereignty.org>.

¹¹ See https://ncaied.org/file_download/inline/be7723c8-1f38-4f08-b244-f5a22701d90c.

funding cuts have been devastating for Tribal Nations and their tribal members and organizations. Congress take whatever action is possible to prevent OMB and specific federal agencies from executing mass personnel actions against critical federal offices and programs that serve Indian Country.

4. **Preserve the “Rule of Two”:** Whether in Federal Acquisition Regulations (FAR) or legislation, the Rule of Two must be maintained to eliminate key barriers to greater Native participation in the 8(a) program and other small business contracting. The Rule of Two implements Congress’s statutory directive that a “fair proportion” of federal contracting go to small businesses and should be recognized as statutorily mandated. While the recent FAR revisions have purported to retain the Rule of Two, there have been significant changes to the FAR that increase the risk that the Rule of Two will not function as intended.
5. **Press for High-Level Native Professionals at SBA, Commerce and Other Departments:** Several federal departments and agencies support a high-level office dedicated to Native American affairs. We urge the Committee to support and reinforce Indian Country efforts to press the White House Presidential Personnel Office to identify, nominate, appoint, and hire qualified Native professionals so essential to ensure their department or agency complies with government-to-government consultation policies and properly implements the federal programs it administers to advance the interests of Tribal Nations and Indian Country. The positions that must be filled immediately are Chair of the National Indian Gaming Commission, the OMB Tribal Policy Advisor, the Director of Commerce’s Office of Native American Business Development (ONABD), and the Assistant Administrator of SBA’s Office of Native American Affairs (ONAA). Finally, after two decades of near dormancy, the ONABD is to be allocated \$2.3 million in FY2026 funding, according to the Joint Explanatory Statement accompanying Commerce appropriations. So, this Committee should urge appointment of a qualified Director to fully establish the ONABD using the FY2026 funds to begin fulfilling its multiple statutorily prescribed duties.
6. **Support Legislation to Make Permanent SBA’s and other Native American Affairs Offices:** We urge the Committee to help advance legislation to make permanent, with ample dedicated funding, the various Native Affairs Offices that currently operate with uncertainty about their longevity. Top priorities for codification are Treasury’s Office of Tribal and Native American Affairs with its Director reporting to the Secretary, and the SBA’s Office of Native American Affairs (ONAA). Congress approved \$5.3 million for FY2026 for SBA’s Native American Outreach budget, but the SBA has not appointed an ONAA Assistant Administrator who normally manages deployment of those outreach funds. Last year the House passed Rep. Sharice Davids’ bipartisan bill, the Native American Entrepreneurial Opportunity Act, to formally authorize the SBA ONAA with an Assistant Administrator reporting directly to the SBA Administrator and its own budget of \$5 million annually. She just reintroduced that bill as H.R. 7396, and we urge the Senate to act this year on identical or similar legislation.
7. **Request Reports on Buy Indian Act Contract Awards for FY2024-2025:** As noted earlier, Section 4 of the Indian Community Enhancement Act required DOI and HHS to submit period reports to this Committee on the status of their Buy Indian Act procurement

activities. The last reports produced covered only FY2023. The Committee should ask the Departments to collect and report on the required contracting information for FY2024, and FY2025 to the extent available.

Conclusion

The National Center thanks the Committee for request Indian Country views on Native 8(a) contracting, a business development program central to our mission and extraordinarily important to Tribal self-determination and self-sufficiency and Indian Country as a whole. We welcome any opportunity to work with you and your staff in advancing the improvements we propose in our recommendations.

Attachment

“Tribal Economic Development: Indian Country’s Policy Priorities for the Federal Government”
A 2026 Policy Brief for the Trump Administration, by 18 Endorsing Native Organizations