



April 9, 2020

Honorable Nancy Pelosi, Speaker

Honorable Nydia M. Velazquez, Chair  
House Committee on Small Business

Honorable Raul M. Grijalva, Chair  
House Committee on Natural Resources

Honorable Ruben Gallego, Chair  
Subcommittee on Indigenous Peoples of the United States  
U.S. House of Representatives  
Washington, DC 20515

Re: Small Business Assistance Delivery to Indian Country

Dear Madam Speaker, and Chairs Velazquez, Grijalva and Gallego:

Thank you for working so hard to include urgently needed relief, including some types of small business assistance, in the recently enacted CARES Act. On behalf of the undersigned national partner organizations -- representing Indian Tribes, Alaska Native Corporations, Native Hawaiian Organizations, and business concerns owned them and their community members -- we urge Congress to approve provisions (as amendments to the CARES Act, or in similar legislation) to ensure that desperately needed small business assistance is effectively delivered to speed recovery from the devastating impact of the coronavirus pandemic on Tribal governments, Tribal enterprises and thousands of other native-owned small businesses across the country.

The CARES Act included several avenues for small business entrepreneurial development assistance -- adding \$265 million for the Small Business Administration (SBA) Small Business Development Centers, Women Business Centers, and their trade associations, and \$10 million the minority business centers of the Minority Business Development (MBDA) within the Department of Commerce. Beforehand, we requested similar, yet modest, support to be delivered specifically to Indian Country, suggesting several delivery mechanisms: 1) authorizing the SBA's Office of Native American Affairs (ONAA) and increasing the modest \$2 million line item funding for Native American Outreach that could be accomplished by adding section 7(j) funding for more entrepreneurial development and facilitate Tribal business concerns' access to the new Paycheck Protection Program and section 7(a) lending assistance; and 2) allowing the additional \$10 million for MBDA to assist not only its "minority business centers" but also its grantees assisting American Indian, Alaska Native, and Native Hawaiian businesses. However, none of these Indian Country-specific provisions were included in the CARES Act.

**To ensure that disaster and recovery assistance actually gets disbursed into Indian Country, where the need is disproportionately greater, we urge you to include the following as the most effective delivery mechanisms to do so:**

**1. Increase Access to the SBA's 7(j) Program for Indian Country**



As requested in the March 20, 2020 joint letter from our partner organizations, the Congress should increase access to the SBA’s 7(j) program for Indian Country to provide coronavirus relief and other disaster-related assistance. We had proposed increasing funds for Section 7(j) grants, with a \$4 million set aside for Indian Country, and amending Section 7(j)(2) to add a new paragraph “(F)” as follows: “(F) assistance in each of the above categories specifically tailored towards planning for, or recovering from, the event of a natural disaster, act of terrorism, other man-made disaster, or significant business disruption.” Another approach would be to amend the CARES Act, Section 1103, Entrepreneurial Development, to include in the definitions of “resource partner” in Section 1103(a)(2) a new paragraph “(C) any recipient of a grant under section 7(j) to provide Native American Outreach assistance;” and add in Section 1103(b)(3) a new paragraph with appropriate references and funding amounts to effect the following: “(C) NATIVE AMERICAN OUTREACH.—The Administration shall award grants under Section 7(j) for Native American Outreach consistent with this section using funds made available to the Administration in Section 1107.”

## **2. Authorize SBA’s Office of Native American Affairs to Conduct Outreach**

Our partner organizations, and many other national and regional organizations representing Indian Country, have long urged the elevation and enhancement of SBA’s Office of Native American Affairs (ONAA) to strength its operations and voice within the agency and among other federal departments and agencies. Now, or without much further delay, the Congress should authorize the ONAA, just as it has authorized other high-level Office of Native American Affairs or Tribal Relations (e.g., at Interior, Commerce, Housing, Energy, Agriculture, Justice, Federal Communications Commission).

In its current status, the ONAA’s effectiveness is constrained by limited authority and resources. The SBA budget includes no specific funding for the ONAA; instead, only a line item exists for “Native American Outreach” that Congress has slowly increased to \$2 million in annual appropriations. This funding level affords only one or two staff and some limited entrepreneurial development support. Given the urgent need for native small business relief, the ONAA must be fortified.

Authorized, with a \$5 million budget, the ONAA could lead and coordinate the SBA’s formidable disaster assistance responses to the desperate needs of Indian Tribes, Alaska Native regional and village corporations, Native Hawaiian Organizations, Tribal business concerns and other native-owned small businesses in tribal and other native communities across the country. The ONAA should spearhead the SBA’s government-to-government working relationship with Indian Tribes to ensure that this important federal agency fulfills its federal trust responsibility to promote Indian self-determination and self-sufficiency by targeting its powerful entrepreneurial development, contracting and capital access program assistance to revitalize native businesses and economic development in Indian Country.

To elevate the ONAA to direct the SBA’s Native American Outreach activities, Section 4(b)(1) of the Small Business Act should be amended to authorize an Associate Administrator of the ONAA to carry out the provisions of a new Section 49 of the Act authorizing the Native American Outreach Program (similar to the program proposed in legislation sponsored by Rep. Kendra Horn and Senator Mazie Hirono). The program would provide assistance to Indian tribes and Native Hawaiian Organizations, as described in Section 8(a)(13) and (15) of the Act, and small business concerns owned by individuals



who are members of those entities. The program would enhance assistance by formulating and promoting policies, programs and assistance that better address the entrepreneurial, capital access,

business development and contracting needs of tribes and native businesses. The ONAA should be able to provide financial and other assistance directly, and in conjunction with SBA's 7(j) program, as proposed above, so as to: 1) coordinate distribution of information and assistance on SBA 7(a) loans and other coronavirus-related relief; 2) deploy training, counseling and other educational outreach, workshops, supplier events, and otherwise access the SBA's entrepreneurial assistance; 3) facilitate native contractors' participation in the SBA's 8(a) Business Development, HUBZone, women business, veteran and service disabled veteran business, and other small business contracting programs; 4) work with SBA, Indian tribes, traditional lenders, and Native Community Development Financial Institutions to improve access urgently needed capital through SBA's various loan programs, loan guarantees, disaster assistance, and other capital access programs; and 5) coordinate SBA's Tribal Consultations to solicit input and facilitate discussion of potential modifications to SBA programs and procedures.

The SBA ONAA must be elevated as soon as possible to operate at the same high level as its counterpart offices in other federal departments and agencies. Empowering the ONAA with its own budget, and authority to access 7(j) assistance to address Indian Country's small business and entrepreneurial relief and development needs, will greatly facilitate SBA's fulfillment of its federal trust responsibilities.

### **3. Empower the Office of Native American Business Development at Commerce**

As noted above, the CARES Act included \$10 million for the MBDA, but specified that the additional \$10 million be used for "minority business centers" only. As part of future legislation for coronavirus crisis recovery, we urge the Congress to provide separate line item funding of at least \$2 million to empower the Office of Native American Business Development (ONABD) within the Department of Commerce, as authorized in the Native American Business Development, Trade Promotion, and Tourism Act of 2000 (25 U.S.C 4301-4307). The ONABD has never received separate or adequate funding, and has had to rely for its limited operation on funds provided by the MBDA. Since the CARES Act restricted MBDA's use of its additional \$10 million, the ONABD will receive none of those new funds. Specific funding for the ONABD would enable it, finally, to fulfill its statutory duties to coordinate with agencies within Commerce and other federal departments to provide assistance, including financial and technical assistance to dispatch coronavirus relief to Indian Country, and collaborating on recovery efforts to reinvigorate business and economic development, and expand trade and tourism in Indian Country.

Our national partner organizations, and many other national and regional organizations representing Indian Country, have long called for elevation and enhancement of the ONABD. Senate-passed bill, S. 212, the Indian Community Economic Enhancement Act, now awaiting House action, would give the ONABD even more authority. What can and should be provided immediately is specific funding to enable a more robust ONABD to improve the Commerce Department's response to tribal governments, tribal business concerns and other native-owned businesses and entrepreneurs struggling to stay afloat so they can recover and re-engage wherever they do business – in local, regional and national markets, international commerce, trade and tourism.



Thank you for considering these urgent requests. We look forward to working with you on their adoption.

Respectfully submitted,

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