

TESTIMONY
OF
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ACTING DIRECTOR
BUREAU OF INDIAN AFFAIRS
UNITED STATES DEPARTMENT OF THE INTERIOR
BEFORE THE
SUB-COMMITTEE ON INDIAN, INSULAR, AND ALASKA NATIVE AFFAIRS
HOUSE OF REPRESENTATIVES
ON
S. 607
JULY 24, 2018

Chairman LaMalfa, Ranking Member Gallego, and Members of the Subcommittee, I am Darryl LaCounte, Acting Director of the Bureau of Indian Affairs at the Department of the Interior (Department). Thank you for the opportunity to present the Department's views on S. 607, the Native American Business Incubators Program Act. The Department's review of S. 607 aligned with another bill, H.R. 4506, which the Department testified on before this Subcommittee on January 17, 2018. The Department, similar to our position on Title II of H.R. 4506, restates its support of the underlying goals of S. 607, which, similar to H.R. 4506, would serve to facilitate the development of healthy economies in Native communities. Since Title II of H.R. 4506 and S. 607 are nearly identical, the Department still has a few concerns about some provisions in S. 607, and continues to recommend further engagement with the bill sponsor to address these issues.

We appreciate the intent of S. 607, which would provide on-site support to Native entrepreneurs in remote areas of Indian Country. Ideally, such incubators could provide Native businesses and entrepreneurs with one-on-one counseling on key issues, such as how to apply for financing, prepare and present a financial statement and business plan, manage the financial operations of a business, identify contract opportunities, and negotiate a contract.

This particular kind of assistance is not generally available in Indian Country. Some tribal colleges and non-profits deliver business start-up training and financial education, but often lack the resources and experience. For this reason in particular, the Department supports language authorizing cooperation and coordination with institutions of Higher Education. There are over seventy Native Community Development Financial Institutions (Native CDFIs) across the country that primarily serve Native Communities that have been certified by the Treasury Department's CDFI Fund. Native CDFIs focus largely on providing access to capital and credit for affordable housing and economic development activities, including job creation and business development initiatives. Last year, Native CDFIs reported the origination of more than \$100 million loans and investment, of which nearly \$68 million was for business and microenterprise development. However, according to CDFI Fund research there remains a great need for the type of business development assistance and finance envisioned by the legislation.

The six American Indian Procurement Technical Assistance Centers (AIPTACs), which Congress authorized under the Procurement Technical Assistance Program in 1985 and which are administered by the Department of Defense, are dedicated exclusively to helping Native businesses with federal procurement matters. They do not offer financial education, primary guidance on starting and running a business, or obtaining credit.

With regard to Section 5 of S. 607, which provides no more than 180 days for the promulgation of program regulations, we recommend that timeline be increased to 300 days, due to the extensive tribal consultations that would be required for the development of such regulations.

The Department continues to welcome the opportunity to work with this Subcommittee, the bill's sponsor, and cosponsors to attain the goal of increasing economic opportunity on Indian reservations. Thank you for the opportunity to provide the Department's views on S. 607. I am happy to answer any questions you may have.