

**TESTIMONY
OF
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UNITED STATES DEPARTMENT OF THE INTERIOR
BEFORE THE
SUB-COMMITTEE ON INDIAN, INSULAR, AND ALASKA NATIVE AFFAIRS
HOUSE OF REPRESENTATIVES
ON
H.R. 4506
JANUARY 17, 2018**

Chairman LaMalfa, Ranking Member Torres, and Members of the Sub-Committee, I am Bryan Rice, 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 H.R. 4506, the Jobs for Tribes Act. The Department supports the underlying goals of H.R. 4506, which would serve to facilitate the development of healthy economies in Native communities. However, we have a number of concerns about several provisions in the legislation, particularly those that are duplicative of existing law or extend beyond our existing authorities, and recommend further engagement with the bill sponsor to address these issues.

Title I of H.R. 4506 would codify many of the activities the Department is already required to do under the Buy Indian Act, including conducting outreach to Indian industrial entities and aggregating compliance data. We generally support the Buy Indian Act because it has enabled Native businesses to participate in the expansive federal contracting market, created jobs for Native employees, and provided needed revenue to Native communities. We would caution that the language in H.R. 4506 intended to increase and improve robust reporting under the Buy Indian Act creates additional challenges. Specifically, we have concerns about gathering some of the data as well as in the accuracy of data contemplated in H.R. 4506. As the Subcommittee is likely aware, the data is voluminous and, in certain instances, it is often difficult to ascertain what is or is not an Indian economic enterprise.

The legislation also dictates the alignment of procurement procedures between the Department and at the Department of Health and Human Services (HHS), and dictates reporting requirements as part of implementation of H.R. 4506. The procurement office in Indian Affairs recently met with the current Indian Health Service Procurement Chief to discuss avenues for both the Bureau of Indian Affairs and the Indian Health Service to better coordinate procurement under the Buy Indian Act. Moreover, the Department and HHS would need to further explore other issues raised by H.R. 4506 including the expansion of the Buy Indian Act at HHS as it currently only applies to the Indian Health Service.

We appreciate the intent of Title II of the bill, entitled the Native American Business Incubators Program Act, 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 205 of Title II, 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.

Regarding Title III, the Department appreciates the importance of international cooperation and exchange regarding the interests and needs of indigenous peoples. The Department works with the Department of State and other agencies to provide our expertise on U.S. Indian law and policy as needed to inform foreign policy and international discussions on related topics. Should Congress enact policy goals such as those expressed in Title III, the Department will be happy to lend its experience in Indian Affairs to assist the State Department or other agencies with appropriate expertise and authority in this area.

The Department welcomes the opportunity to work with this Subcommittee, the bill's sponsor, and cosponsors to attain our mutual goal of increasing jobs for tribes in Indian Country. Thank you for the opportunity to provide the Department's views on H.R. 4506. I am happy to answer any questions you may have.