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PRIDE IN
PRECISION

Testimony of Larry Hall, President and General Manager of S&K Electronics, Inc.
Submitted to the Senate Committee on Indian Affairs oversight hearing on
“Promise Fulfilled: The Role of the SBA 8(a) Program in Enhancing Economic
Development in Indian Country”
February 7, 2011

My name is Larry Hall, a tribal member of the Confederated Salish & Kootenai Tribes
of the Flathead Reservation and the President and General Manager of S&K Electronics,
Inc. a successful graduate of the SBA 8(a) program.

I appreciate the opportunity to tell the S&K Electronics story and how the SBA 8(a)
Program has helped enhance the economic development of the Flathead Reservation.

I can sum it up in three words, The Program Works!

S&K Electronics a Tribally owned Company:

- Became a certified 8(a) company in 1990.
- Used the program to grow both its capability and capacity through its life in the program.
- Graduated from the 8(a) program in 1999 and continues to be a highly competitive and successful Contract Manufacturer of electronic, electro-mechanical assemblies for the US Government and Private industry.
- S&K Electronics facilities are on the Flathead Reservation.
- The jobs are on the Flathead Reservation.
- S&K Electronics has continued to grow and provide dividends to the Confederated Salish & Kootenai Tribes for their social and economic programs and initiatives.
- One of these economics initiatives was to start up another 8(a) company, S&K Technologies.
- S&K Technologies has also successfully graduated from the 8(a) and continues to return dividends back to the Confederated Salish & Kootenai Tribes for their social and economic programs and initiatives.
- What is different about a Tribally owned 8(a) business and other 8(a) businesses? The profits go to the Tribes as a whole not to an individual.
- Where does the money go? It is used for Internships, Native language programs, Various social programs, Job training, Economic Development initiatives, and even fractionated heirship land consolidation.

As I said before, The Program Works!

Let's take a closer look at the history.

In the early 1980's the Tribes were looking at ways to diversify the economy of the Reservation from its primarily resource extraction base. Also in this effort they were looking for good long term sustainable Jobs. Contract Manufacturing was selected as the direction to go, specifically Electronic, Electro-mechanical Assemblies.

Thus S&K Electronics was born. SKE was established by the Tribes in 1984 and incorporated in 1985 as an Electronic Manufacturing Services (EMS) provider. SKE is located on 10 acres that was originally a fractionated heirship allotment on the Flathead Reservation that the Tribe acquired. SKE was primarily capitalized by Tribal funds.

SKE started business by bidding on solicitations found in the Commerce Business Daily. We struggled to stay in business those early years. There were a lot of players in the game, both large and small. The tribes kept us going, knowing it was going to be a long term investment.

We became aware of the 8(a) program in those years, but were not ready for the program. After the 8(a) program was modified to allow Tribal wholly owned companies to participate more freely, S&K Electronics applied to the program and became certified in 1990.

S&K Electronics secured its first 8(a) contract in 1992. S&K Electronics became profitable the next year. SKE continued to grow and expand in a variety of business areas through the nine years of program eligibility.

S&K Electronics successfully graduated from the 8(a) program in 1999 to go on to even greater growth and success. SKE currently provides over 90 good long term sustainable jobs and continues to pay dividends to our owners the Confederated Salish and Kootenai Tribes of the Flathead Reservation.

The SBA 8(a) program provided the business foundation that S&K Electronics has been able to capitalize on for its continued growth and success.

The Tribally owned companies of The Confederated Salish and Kootenai Tribes(CKST) have epitomized the intent and spirit of the 8(a) program and we have clear and measurable results that document the success both our companies hard work and the support of the Small Business Administration's program.

We have used the benefits of the 8(a) program and Tribal ownership to build capability and capacity and have graduated from the program as fully competitive companies, delivering outstanding products and services to the Government and industry in the full and open competitive environment.

We offer not just jobs, but careers, to both native and non-native people on our reservation where these career opportunities did not previously exist. We train perspective employees and provide meaningful employment in highly technical work with full benefits supporting our employees, their families and the entire community.

The profits from our hard work are not used to enrich individuals but are reinvested in our continued economic development, education and social programs benefiting our Tribe and its members.

Unfortunately the achievements and success stories of many companies such as S&K Electronics and S&K Technologies who have worked hard for so long to build a future for their people are overshadowed by the stories of the few who may have used the system to the advantage of the few instead of the many.

The success stories of the our Tribally owned companies would not have been achieved without the support of the 8(a) program and the additional advantages of Tribal ownership. The ability to be considered for award of significant sole source contracts provided the ability to borrow or invest money in equipment and infrastructure to grow our business. We have never let our customers down and we have always delivered our products and services on-time and on-budget. Without delivering quality and value a business can not grow and our success in growth since graduation from the 8(a) program stands as a testament of what can be accomplished by Tribes and government working together.

On behalf of our Tribes, our employees, their families and our proud people, I thank those who had the foresight to implement program that truly give a hand-up. We hope that you will come in person to our reservation to see first hand the fruits of your vision and our hard work. We hope that those who follow will protect the programs that will help and encourage others to move to sustainable economic development and prosperity.