



Senate Committee on Indian Affairs  
Room 628  
Dirksen Senate Office Building  
Washington, DC

**RE: Hearing On: Economic Self-Determination in Action: Examining the Small Business Administration Native 8(a) Program**

Tuesday, February 10, 2026

Thank you, Chairman Lisa Murkowski, Vice Chairman Brian Schatz, and distinguished members of the committee, for the opportunity to testify at this important hearing on the Small Business Administration's (SBA) 8(a) Program and its impact on Native communities.

My name is Katherine Carlton, and I am President of Chugach Alaska Corporation, Policy Chair of the Native American Contractors Association, and a proud shareholder of Chugach and Sitnasuak Native Corporation. Today, I respectfully urge Congress to affirm Native participation in the 8(a) Program as constitutional and intentional; to pursue smart, data-driven oversight that targets abuse without undermining what works; and to preserve the Alaska Native Corporation (ANC) authorities that allow this program to deliver results for federal missions while advancing Native self-determination and economic opportunity.

This testimony is deeply personal to me. I have seen the impact of the 8(a) Program from every angle: As a shareholder beneficiary of Chugach's scholarship and apprenticeship programs, as an employee in Chugach's government contracting business, and now as an executive leader for the corporation. That perspective shapes the following testimony, which addresses the critical role the SBA 8(a) Program plays in strengthening Alaska Native communities and explains why its continued availability is not only vital to our people, but firmly in the national interest.

## Introduction

Chugach is an Alaska Native Corporation (ANC) founded in 1972, following Congress's passage of the Alaska Native Claims Settlement Act (ANCSA) of 1971, as a mission-driven corporation charged with advancing the economic, social, and cultural well-being of the Chugach people in perpetuity. Through high-performing government contracting, Chugach reinvests earnings into its 3,000 Alaska Native shareholder owners and more than 1,500 descendants by funding distributions, scholarships, workforce development, healthcare and wellness programs, Elder support, cultural preservation, and long-term economic development for our shareholders.

Chugach is also one of 45 Native-owned firms represented by NACA since its founding in 2003. Collectively, these firms support government missions nationwide, both within the SBA 8(a) Program and through full and open competition, creating benefits for more than one million Tribal citizens and employing tens of thousands of American workers. Importantly, Native firms like Chugach perform mission-critical work in support of our nation's military and federal agencies, helping sustain readiness, resilience, and measurable value for customers and the American taxpayer.



## 8(a) is Constitutionally Grounded & Working as Intended

The passage of ANCSA marked a fundamental shift in federal Indian policy, establishing ANCs to promote the social, cultural, and economic advancement of Alaska Native people in perpetuity and to formalize a distinct, enduring relationship between Native communities and the United States.

Chugach was formed shortly thereafter, in 1972, with early investments in Alaska’s logging and fishing industries. In 1986, Congress formally recognized ANCs, Indian Tribes (Tribes), and Native Hawaiian Organizations (NHOs) as lawful participants in the 8(a) Program, expressly acknowledging the distinct and important government-to-government relationship between the United States and Native communities and the role these entities play in advancing federal policy objectives.

That recognition proved critical when Alaska’s logging and fishing industries were devastated by the 1989 Exxon Valdez oil spill, forcing Chugach to fundamentally rebuild its business. The 8(a) Program provided a lawful, performance-based pathway—not a bailout—that enabled Chugach to reorient its operations toward federal contracting. Through the program, Chugach competed for and performed mission-critical contracts, delivering best-value services to federal agencies ranging from base operations at key military installations to complex intelligence and systems support.

The 8(a) Program also served its intended purpose as a bridge into the broader federal marketplace, offering emerging Native-owned firms a fair opportunity to compete, develop past performance, and apply specialized expertise without being immediately crowded out by the small number of large prime contractors that dominate federal procurement.

Over the next two decades, sustained performance allowed Chugach to recover from bankruptcy and grow into a diversified, Alaska-based national employer. Today, Chugach operates both 8(a) and non-8(a) companies that compete side-by-side in the federal marketplace, exactly as Congress intended.

Chugach demonstrates how 8(a)-enabled growth supports an intergenerational ownership model—building enduring assets rather than relying on short-term grants or one-time aid—while advancing cultural continuity and long-term economic resilience for our people.

## 8(a) Serves Native Communities

NACA members are deeply committed to delivering value to the U.S. government and taxpayers through high-performing federal contracting. But what we are most proud of is what those contracts make possible within our own Native communities. According to the SBA’s *2024 Report to Congress on the 8(a) Program*, ANCs provided more than \$1 billion in community benefits to shareholders, Tribes provided over \$180 million in benefits to Tribal citizens, and NHOs provided more than \$216 million in benefits to Native Hawaiians, all generated through federal contracting.

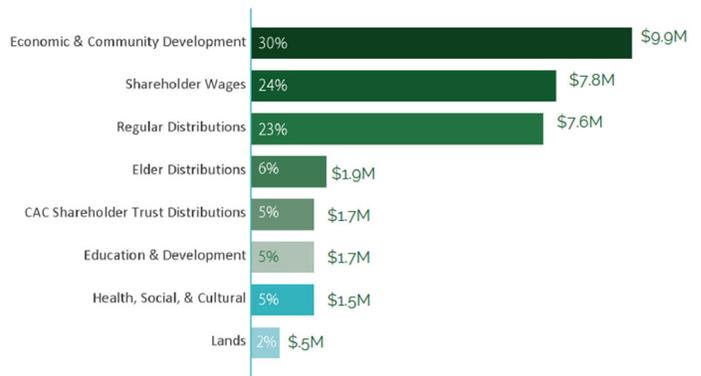
These figures represent real, life-changing investments in communities that have historically been left behind. At Chugach, this impact is tangible and measurable. In 2024 alone, Chugach returned \$32.6 million directly to shareholders and communities, funding programs that strengthen education, economic opportunity, cultural preservation, and long-term community stability—dollars earned in the marketplace, not drawn from Federal social programs.



Examples of Chugach community benefits include:

- **Education & Scholarships:** Earnings from the 8(a) Program work have helped build a \$30 million nonprofit foundation endowment, funding 5,000 academic, vocational, and job-training scholarships totaling more than \$13 million for Alaska Native beneficiaries.
- **Employment & Workforce Development:** Chugach’s government and commercial operations support approximately 4,200 jobs nationwide, including hundreds of Alaskans and military veterans. Shareholders also have access to training programs, advancement, and long-term career pathways that build skills transferable across the broader U.S. economy.
- **Economic Opportunity & Entrepreneurship:** Chugach reinvests contracting revenue into programs that strengthen economic self-sufficiency, including funding for Alaska Native entrepreneurs and pathways into skilled trades, professional services, and leadership roles within our companies.
- **Infrastructure & Community Investment:** Chugach invests in community facilities, housing, and essential services in regions where outside capital is limited. This includes Chugach Naswik, a Native-led, community-driven infrastructure initiative designed to expand housing, create local jobs, and strengthen long-term regional resilience in Valdez, Alaska. Chugach also responsibly stewards nearly one million acres of ancestral lands, balancing economic opportunity with environmental protection and cultural responsibility.
- **Cultural & Historical Preservation:** Cultural preservation is central to Chugach’s mission. In 2024, Nuuciq Spirit Camp marked its 30<sup>th</sup> anniversary, celebrating three decades of bringing Chugach people together in Prince William Sound to practice traditional lifeways, language, and subsistence skills. Through hands-on cultural education, such as traditional kayak building, Nuuciq ensures knowledge is passed from Elders to the next generation, preserving living traditions and strengthening the cultural identity that guides Chugach’s work today.
- **Distributions & Elder Support:** Chugach provides stable, consistent Regular and Elder distributions that help put cash into rural Alaska—supporting household income, personal savings, local spending, small business investment, and reinvestment in our communities. Elder distributions ensure vulnerable shareholder populations living on fixed or limited incomes receive reliable support that promotes dignity, security, and intergenerational prosperity.

**2024 Shareholder Benefits: \$32.6M**



**8(a) Strengthens National Security**

Through the 8(a) Program, NACA members deliver high-performing services across the federal enterprise, and their work supporting the Department of War (DoW) is among the most consequential to America’s national security. In the case of Chugach, there are dozens of examples where mission-critical performance directly supports military readiness and operational effectiveness.

Chugach’s work sits at the intersection of infrastructure, communications, logistics, and sustainment—functions that shape warfighting outcomes long before a mission is ever executed. Across austere



environments, high-security installations, and operational platforms at sea, Chugach is trusted to keep essential systems online, secure, and performing at the pace the mission demands.

That trust is earned through performance. At Naval Air Station Fallon, home to TOPGUN, Chugach operates and maintains the airfield systems that enable the Navy's most advanced tactical aviation training. Chugach also installs and services mission-essential command and communications systems aboard some of the most critical ships in the U.S. Navy, including the USS Abraham Lincoln, supporting active operational requirements. At Fort Meade, Chugach sustains large-scale, high-security infrastructure where uninterrupted operations are essential for sensitive national security missions.

Chugach also plays a key role in sustaining readiness in the strategically vital Indo-Pacific region. On Guam, Chugach built and now maintains combat training facilities at Marine Corps Base Camp Blaz, including live training areas, obstacle courses, and hand-to-hand combat facilities. The company has long operated Henderson Airfield and island infrastructure on Midway Atoll, and maintains a regional logistics and operations hub in Hawaii that supports distributed missions across the Pacific. Together, these efforts demonstrate Chugach's ability to operate at scale, across distance, and under demanding conditions—enabling sustained readiness throughout INDOPACOM.

These examples are specific to Chugach, but they reflect a broader reality across the 8(a) Program. NACA members collectively execute hundreds of mission-critical defense contracts because they bring proven expertise, disciplined cost control, and consistently high performance. Federal agencies award this work not out of preference, but because these companies deliver results at fair market value, under strict program rules, and with the reliability our national security demands.

### 8(a) Provides Mission, Speed, & Stewardship for Federal Customers

While the benefits of the 8(a) Program for Native communities are well-documented, its value to the federal government and the American taxpayer is equally significant. The program provides federal agencies with flexible, efficient, and accountable procurement tools that support mission execution while safeguarding taxpayer dollars.

The 8(a) Program includes both open-competition contracts and sole-source discretionary contracts, each serving a distinct purpose for contracting officers. Open-competition 8(a) awards operate much like standard federal procurements, allowing agencies to evaluate multiple qualified offerors and select the best-value solution through a competitive process.

Sole-source 8(a) contracts, by contrast, provide agencies, including DoW, with a critical option for speed and responsiveness when time is of the essence. Traditional competitive procurements often take 12 to 18 months to award. By comparison, 8(a) sole-source awards are typically executed within 30 to 60 days of SBA approval, dramatically reducing procurement timelines for urgent or mission-critical needs. This flexibility directly supports Executive Order 14265, which directs defense acquisition to be conducted with “the speed and flexibility our Armed Forces need to maintain decisive advantages.”

Importantly, 8(a) sole-source awards are not a blank check. They are subject to strict oversight, including SBA approval, mandatory price reasonableness determinations, and statutory profit caps. As a result, these contracts are often executed at lower cost than comparable competitive awards, providing greater price transparency and strong value for taxpayers.

Moreover, the term “sole-source” can be misleading. Most 8(a) sole-source awards involve rigorous evaluation, including capabilities briefings, detailed proposals, and line-by-line price negotiations. By



contrast, from FY 2018 to FY 2025, roughly one-third of Full and Open Competition awards received zero, one, or only two bids—often without the pricing guardrails or profit limitations required under the 8(a) Program.

Taken together, the 8(a) Program delivers exactly what federal customers require: speed when missions demand it, disciplined cost controls that protect taxpayers, and proven, accountable contractors trusted with mission-critical work.

### 8(a) Has Robust Compliance Programs & Oversight

All Native-owned 8(a) participants are required by the SBA to adhere to strict requirements for entry and continued participation in the program, including (i) demonstrating that they are owned and controlled by a Tribe, ANC, or NHO; do not have the same primary North American Industry Classification System (NAICS) code as a sister company currently in the 8(a) Program; have the support of the parent Native entity; and have qualified personnel with appropriate experience; (ii) must submit annual financial statements, including audited financials meeting specified criteria; (iii) demonstrate continued eligibility and compliance with size standards; submit detailed annual reports documenting the specific benefits provided to their Native communities, including dollar amounts and types of support; and meet business activity targets to ensure they are actively engaged in commercial operations beyond federal contracting.<sup>1</sup> These requirements subject Native-owned 8(a) firms to a level of financial, operational, and community-impact reporting and oversight that is substantially more extensive and prescriptive than what is required of large business prime contractors.

NACA members must also adhere to strict limitations and rules on subcontracting<sup>2</sup>, and larger member companies must comply with the Cost Account Standards Board (CASB) requirements around allocation and cost tracking. Performance is also carefully tracked by contracting officers with ratings that help determine future contracting awards. To ensure consistent alignment with these program requirements, NACA's members, including Chugach, have established rigorous internal compliance programs.

Because of this careful adherence, NACA and its members welcome and support diligent government oversight of the SBA 8(a) program. Any instances of fraud or abuse within the program should be quickly rooted out to sustain the numerous benefits it provides both to the government and to participating companies that follow its regulations.

NACA is committed to partnering with its member organizations to maintain the highest standards of compliance and ethical conduct in contracting with the federal government. Our success depends on delivering quality work at a fair price to maintain the trust it has earned from federal agencies and the American public.

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<sup>1</sup> See 13 C.F.R. § 124.109, .110, .112(b), .604, and .509.

<sup>2</sup> 13 C.F.R. § 125.6.



## Conclusion

Chugach is proud to be a trusted partner to the United States government, and the SBA 8(a) Program is a load-bearing pillar of that partnership. It advances two core objectives as Congress intended: strengthening Alaska Native communities while enabling federal agencies to carry out mission-critical work with efficiency, accountability, and value to customers and taxpayers.

For Chugach, the 8(a) Program is indispensable. It allows us to translate performance into opportunity—reinvesting in education, workforce development, cultural preservation, and long-term economic stability—while delivering cost-efficient, reliable results for our government customers, including in direct support of national defense.

Chugach respectfully recommends that Congress:

- **Affirm Native participation in 8(a) as constitutional and intentional**, a political classification rooted in Federal Indian law, not a loophole.
- **Strengthen oversight across all contractors** with data-driven reforms that address abuse wherever it occurs—without blunt cuts or one-size-fits-all limits that would harm Native communities, Federal missions, and America’s industrial base.
- **Preserve ANC authorities and what works in the 8(a) Program**, so agencies retain a proven tool to deliver for critical missions while supporting Native self-determination and local jobs.

In closing, I want to thank the Chair, Vice Chair, and members of the committee for your time and for your attention to this issue. I appreciate the opportunity to share Chugach’s experience and the perspective of Native contractors across the country. I look forward to your questions.

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President