

**U.S. Small Business Administration  
Interview with Clara Pratte (11-10-09)**

Ron Johnson: It is reported that there are more than 200,000 American Indian- and Alaskan Native-owned businesses and these businesses have receipts of more than \$26 billion. In addition, Native Hawaiian-owned businesses are booming and they are creating businesses at triple the rate of other ethnic groups. Native Hawaiian-owned businesses are 29,000 strong, bringing in \$4.3 billion in revenues.

Hi, I'm Ron Johnson with the U.S. Small Business Administration, Your Small Business Resource and with me today is Clara Pratte. She's the national director of the Office of Native American Affairs. Welcome, Clara.

Clara Pratte: Thanks, Ron, for giving me this opportunity.

Ron Johnson: The American Indian, Alaskan Native and Native Hawaiian populations are small. But it seems the entrepreneurial spirit runs large in these communities.

Clara Pratte: Yes, historically, American Indians, Alaskan Natives and Native Hawaiians have always embraced small business ownership. At the time of European arrival in what is now America, there were thriving trade routes throughout this hemisphere. And commerce was not limited to North America. Native Hawaiian entrepreneurs traded goods between villages but also they navigated quite long distances to trade with other Pacific Islanders. And of course they quickly learned about international markets through their exposure to various travelers that came to their shores.

Ron Johnson: Now Clara, many people may not understand the history of Native American commerce. On that note, why does SBA have an Office of Native American Affairs?

Clara Pratte: Well, the Office of Native American Affairs was first created to ensure that Alaskan Natives, Native Hawaiians and American Indians had full access to the SBA tools, products and services that we offer. This includes training to help them start, grow and succeed in business, SBA's loan programs and the many online resources. They also have access to the many Small Business Development Centers, SCORE and other partners across the country.

The establishment of the Office of Native American Affairs not only is critical for engaging our target population and making them aware of the services we offer, but it is also important in maintaining and strengthening the unique government-to-government relationship that the United States has with Native nations.

Tribal consultation policies continue to be strengthened since initial implementations in early Preservation Acts which focused on Native American historic tribal preservation rules. And those were first enacted in the mid-60s. Since then we've seen a continual defining process for tribal consultation across all agencies for a variety of programs. Tribal consultation took a huge step forward in 1998 with Executive Order 13084 which was titled Consultation

and Coordination with Indian Tribal Governments. And again with the identically titled Executive Order 13175 which evoked the earlier version.

Engaging with our tribal leadership is critically important for the successful implementation of federal programs. In addition to the federally recognized tribes of the United States, the Office of Native American Affairs here at SBA also plays the role of outreach to Native Hawaiian populations. This is a role that we're happy to fulfill. And it is due to specific provisions that are granted to Native Hawaiian organizations or NHOs under our government contract, to gain [sounds like] business development function that we have here at the Small Business Administration.

Additionally, it should be noted that the administration continues to fulfill its commitment to engaging the indigenous populations of the United States, and on November 5th hosted its first ever Tribal Leaders Summit. And it is fitting that this historic meeting occurs in November as we celebrate American Indian Heritage Month.

Ron Johnson: Now, Clara, based on this unique relationship, how does your office support Native Americans and tribal governments?

Clara Pratte: Great question. My office has a unique function of engaging in outreach and assistance to not only tribally-owned and Alaskan Native corporations and entities, but also to individual entrepreneurs. The SBA mission is to start, grow and build small businesses. And nowhere is this more needed than in Indian country. In accordance with that, my office supplies outreach, education and specific projects to do just that. We want to make sure that our target population is not only aware of what SBA has to offer in the way of loan guarantees, surety bonding, business development, counseling and training, but also that the access to these tools is available. Additionally, we also engage in numerous projects every year to stimulate, on a local level, entrepreneurship and economic development.

Ron Johnson: What initiatives do you have specifically designed for Native Americans and tribal governments?

Clara Pratte: Well, for the last several months, my office has been engaged in extensive outreach in the Native community and this has included consultations, listening sessions and general outreach and education. In the upcoming months we will be providing more information on specific projects that we've just recently kicked off. One of those include a Native American veterans outreach project, a technology transfer project, and an exciting entrepreneurial education program which we will be announcing very soon.

Additionally, we have begun to formulate a consultation policy in accordance with the executive orders that I mentioned previously for engaging with tribal governments. While we have engaged with consultation in the past, we want to formalize this policy for the agency. We will also be conducting a series of sessions to discuss with our stakeholders some new proposed 8(a) regulations that were published in Federal Register on October 28, 2009.

Ron Johnson: Now, Clara, the American Recovery and Reinvestment Act has received a lot of attention. What Recovery Act opportunities should Native American small business owners know about?

Clara Pratte: Well, the Recovery Act has done some really exciting things for us here at the agency. The SBA received \$730 million in the American Recovery and Reinvestment Act to help unlock small business lending, and to get capital flowing again to America's small businesses.

Native American small business owners need to be aware that through the funding we've received, we've been able to reduce fees, increase guarantee limits on two of our most popular lending programs, the 7(a) and the 504.

Additionally, we've created a new lending vehicle called ARC or America's Recovery Capital loan program. This loan offers up to \$35,000 to help viable small businesses that need help paying their existing loans to get through a short-term downturn. ARC loans free up capital for these small businesses with the SBA fully subsidizing the interest payment. If you're interested in these tools, talk to your local lender and ask about them specifically.

The results of SBA's efforts show, and I'm happy to report the following: for businesses in general, loan volume has increased 75 percent. As of October 23rd, SBA has supported \$13.4 billion in small business lending, with the approval of \$9.8 billion in loans since February 17th. Since the signing of ARRA or the American Recovery and Reinvestment Act, weekly loan volume has risen 75 percent in both the 7(a) and the 504 compared to the weekly average before passage.

For Native American businesses in particular, access to capital has been difficult in the last year. The numbers are encouraging and, already, since October 1st of this year, we are well on our way to exceeding the total number and volume of fiscal year 2009 loans in fiscal year 2010. To date, including both FY '09 and FY '10 numbers, we've been able to approve over \$57 million in loans for Native American businesses.

Ron Johnson: Our thanks to Clara Pratte, national director of the Office of Native American Affairs, for being with us today. Engaging the entrepreneurial spirit of Native Americans is a key role of SBA's Office of Native American Affairs. And you can learn more about Native American affairs at [www.sba.gov/naa](http://www.sba.gov/naa) or go to [www.sba.gov](http://www.sba.gov) for more valuable information on programs and services.

Until next time, this is Ron Johnson with the SBA, Your Small Business Resource.

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