

THE HANA GROUP, INC.

A Native Hawaiian Corporation



August 28, 2005

Ms. Deborah Tronic
Defense Acquisition Regulations Council
OUSD (AT&L) DPAP (DAR), IMD #C132
3062 Defense Pentagon
Washington, D.C. 20301-3062

Re: DFAR Case 2004-D031, Comment On Sole Source 8(a) Awards to Small Business Concerns Owned by Native Hawaiian Organizations

Dear Ms. Tronic,:

The Hana Group, Inc., a Native Hawaiian-owned and operated company, appreciates the opportunity to comment on the Department of Defense (DoD) interim rule amending the Defense Federal Acquisition Regulation Supplement (DFAR) to implement DoD appropriations act provisions permitting the award of sole source contracts to small business concerns owned by Native Hawaiian Organizations – DFAR Case 2004-D031. Application of this rule will permit small business concerns owned by Native Hawaiian Organizations to receive sole source contract awards under the 8(a) Program, in amounts exceeding the thresholds at which competition would otherwise be required.

The Hana Group, Inc. applauds the Department of Defense commitment to provide opportunities to all economically and socially disadvantaged indigenous peoples - Native Americans, Alaskan Natives and the Native Hawaiians. The Hana Group, Inc. is in full support of the interim rule. However, we urge DoD to make this interim rule a permanent rule; thus, giving Native Hawaiians the same status as the Alaskan Natives and Native Americans in the DFAR.

Like other minorities and indigenous peoples, Native Hawaiians suffer from some of the worst poverty in this country with unemployment rates well above the national level. Low life expectancy, high rates of incarceration, high rates of welfare assistance, low rates of college attendance and graduation, and high rates of alcohol and drug abuse are among some of the social and cultural issues that continue to plague the Native Hawaiians living in their traditional lands of Hawaii.

This rule was born under the 2004 Appropriations Act, Section 8021, whereby firms certified under the Small Business Administration 8(a) program and owned by Native Hawaiian Organizations are now eligible for certain types of non-competitively procured contracts that had only been available for Alaska Native Corporations and Indian tribally owned 8(a) firms.



Congress has provided the sole source opportunity because it recognizes that, like their Alaskan and Native American brethren, Native Hawaiian Organizations, led and managed by Native Hawaiians, have the an inherent responsibility to help improve the lives of all Native Hawaiians.

Relying on a sound and socially-correct business model as the sole source authority, indigenous peoples can now engage in the world of business both as business leaders and tribal elders, on one hand astutely navigating the business of business while on the other shepherding with great accountability the trust it has been empowered with to serve the needs of their peoples. This is especially true for the Native Hawaiian Organizations who are registered nonprofit organizations in the State of Hawaii, own at least 51% of the voting stock of all 8(a) companies under it and provide the management skills to achieve the performance and auditing standards of DoD contracts while leading social, educational, health and leadership programs focused on Native Hawaiians in the State of Hawaii.

Under the current rules governing the Native Hawaiian Organizations, Congress has created nonprofits who are empowered by its stakeholders to provide self reliant, economically sustaining and socially responsible Americans who trace their ancestry to the first settlers of the Hawaiian Islands. There can be no more compelling and powerful story in our Nation today than that of the Native Hawaiian Organizations.

To date, there are five Native Hawaiian Organizations whose business entities have been certified by the SBA as 8(a) disadvantaged businesses. Because of its recent birth, the Native Hawaiian Organizations look to the Alaskan Native Corporations and Indian tribes as models of business strategic growth and service to its native peoples. The NHOs have been permitted to work only within the DoD arena, unlike the ANCs and Indian tribes who have access to all the Federal agencies. It is imperative that the NHOs coordinate with and learn from its cousins the proper procedures and processes in serving its Dod customers; and this will take time.

But it is well worth the support and patience of all who support the purposes of the gift called sole source authority. The interim rule has breathed life into Native Hawaiian Organizations, but it must not stop there.

As you may know, a Native Hawaiian Organization may designate the net profit of its business entities to support its community service projects, programs and services that addresses the needs of Native Hawaiians in the state of Hawaii. The Hana Group has been fortunate to have won contracts within the Department of Defense this past year and thus to work with alongside The Pacific American Foundation, a respected Native Hawaiian 501(c)(3) organization in Hawaii, to improve the lives of Native Hawaiians. In addition, The Hana Group has been able to recruit 190 employees of whom 80 are Native Hawaiians.

Accountability is a major criteria in the NHO interim ruling. Service to the Native Hawaiian communities is a major factor in the NHO interim ruling. Economic self sufficiency is a major outcome of the NHO interim ruling. Self esteem and self worth are major goals of the NHO interim ruling. Effective leadership and efficient management are major objectives of the NHO interim ruling.



Therefore, we strongly urge that the NHO interim ruling be made permanent.

Native Hawaiian Organizations are committed to using this opportunity given by the Federal government to grow business for the betterment of Native Hawaiians.

Again, as a Native Hawaiian and on behalf of The Hana Group, we appreciate the opportunity to file these comments on DFAR Case 2004-D031.

Sincerely,


David Earl Kaleoikaika Cooper
President and CEO