



Native American Contractors Association

Protecting the rights of Indigenous Peoples to create economic development through government contracting

May 18, 2026

The Honorable Roger Williams
Chair
Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nydia Velázquez
Ranking Member
Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

Dear Chair Williams and Ranking Member Velázquez,

On behalf of the Native American Contractors Association (NACA) and the Native-owned small businesses we represent, we respectfully submit this letter in support of H.R. 2804, the Protecting Small Business Competitions Act of 2025. This legislation would codify the “Rule of Two” in the Federal Acquisition Regulation (FAR), which would preserve small business competition across agencies and allow them to successfully enter, compete, and remain in the federal marketplace.

The Rule of Two requires federal agencies to set aside contracts for small businesses whenever market research indicates at least two small businesses can submit competitive proposals. This ensures that small businesses remain viable participants in federal contracting and has driven procurement participation and competition. The Small Business Administration’s (SBA) rulemaking has emphasized that “the Rule of Two is the cornerstone of the Federal government’s support for small business prime contracting...to create more contract opportunities for small business, particularly small, disadvantaged business.”¹ Any dilution or incorrect exception of the Rule of Two creates declines in small business prime awards, threatening the survival of the program and its participants.

Collectively, participation in small business programs, such as the SBA 8(a) Business Development Program, has become the second largest economic driver in Native communities after gaming. Native-owned companies employ over 100,000 people across all 50 states and internationally through federal contracting, and a significant portion of Native-owned companies’ expertise and focus has been supporting the US military with approximately 65%-70% of contract awards each year going to support Department of War operations. Additionally, a 2021 Minneapolis Federal Reserve’s Center for Indian Country Development (CICD) study, federal contracting to Native-owned companies increased from close to 0% of federal government contracting in the mid-1990s to 2.5% by the end of 2021.² Should the Rule of Two no longer be mandated for contracting officers to implement, the government would no longer have any incentive to support the small business

¹ (89 FR 85072-01)

² <https://www.minneapolisfed.org/article/2022/federal-contractings-expanding-revenue-role-in-indian-country>

industrial base when there has already been a decline of over 50% of small business participants in federal contracting since 2008.³

It is imperative Congress act to protect the Rule of Two and codify this decades long policy to preserve small businesses competition in the federal marketplace. We urge the House Committee on Small Business to pass H.R. 2804, the Protecting Small Business Competitions Act of 2025, out of committee and send it to the full House for consideration.

Thank you for your attention to this important matter facing small businesses across the country and the federal contracting community. Should you have any questions, please contact Josh Jackson, NACA's Legislative Director, at josh@nativecontractors.org.

Sincerely,



Jon Panamaroff
Co-Chair
Native American Contractors Association



Haven Harris
Co-Chair
Native American Contractors Association

³ https://www.sbc.senate.gov/public/_cache/files/6/c/6c4bc1d5-8fb3-4780-9928-6aa10b42b1e5/684CDD8A379BC5B497135D6F9801DEAABE2717F846C3CE6FFAEDD345FC2A7ED5.sbcreport.pdf