

Ben Shelly, President -Navajo Nation

Testimony Before the House Appropriations Committee: Subcommittee on Interior, Environment and Related Agencies

March 27, 2012

Mr. Chairman and Members of the Subcommittee. I am Ben Shelly, President of the Navajo Nation. It is an honor to testify before you today to provide not only our budgetary priorities for fiscal 2013 and to discuss our concerns for the development of a sustainable economy for the Navajo people. Our priorities include economic/infrastructure development, public safety, and education. However, while I and the rest of my fellow tribal leaders are here to testify about our federal funding needs, I want to thank the committee for hearing our concerns regarding federal agency actions.

Navajo Nation Background

The Navajo Nation has been working diligently to lay a solid foundation for future generations. The Navajo Nation has approximately 300,000 citizens, with nearly 200,000 citizens living on more than 27,000 square miles of Navajo land. Fifty-five percent of our people are unemployed and nearly 50% percent live below the federal poverty line. Our annual per capita income is approximately \$7,200, and more than forty (40) percent of Navajo's live without water services or electricity.

The Navajo Nation maintains a government-to-government relationship with the United States. The federal government and the Nation recognized this relationship in the *Navajo Treaty of 1868*. Some of the compromises in the Treaty required the Navajo people to settle within the boundaries of the Navajo reservation. In exchange, the federal government agreed to provide health services, educational services, protection, and farmlands to benefit the Navajo people.

Supporting Infrastructure, Energy Development, and Job Creation

Economic and infrastructure development will support job creation. This development includes road improvements, connecting water and sewer lines, and electricity to homes. Community development includes health services, emergency and homeland security services, which all need to be funded to provide basic services. Many Navajo people struggle with the ills of poverty that place the reservation among the lowest brackets of socio-economic indicators for any region in the United States.

Projects such as the Navajo Agricultural Products Industry (NAPI) fulfill the dual goal of economic development and job creation. The President's 2013 Budget Request continued the trend of reduced funding for the Navajo Indian Irrigation Project (NIIP), these funds are not sufficient to complete the project in a timely manner or cover other operation and maintenance expenses. The Navajo Nation asks the committee to restore full funding to bring this project to a close.

Another essential infrastructure project is the Navajo Gallup Water Supply Project. This pipeline will bring much needed water to Navajos in New Mexico and eventually in Window Rock, Arizona. This multiyear project will bring thousands of jobs to the Navajo Nation and represents a significant step forward to economic self-sufficiency. President Obama has made this a priority project, and we fully support the President's Budget Request for funding the project and urge the committee to retain that funding level in their appropriations package.

The Navajo Nation is taking a multi-level approach to infrastructure development to capitalize on our energy resources to meet Navajo's needs, and to supplement the United States' energy needs. Several energy options are at our disposal, and they include renewable and non-renewable natural resources like large reserves of coal, oil and natural gas. Funding for development and technical assistance should be considered as a major component on the road to tribal self-sufficiency and the Navajo Nation supports full funding in the Interior Budget of the Office of Indian Energy and Economic Development.

Further, infrastructure and economic development go hand in hand with health care facilities construction. Basic health care services are critical in our remote and populated areas. A long-term need is in Hospital Facility Construction. Funding for these long-term construction projects presents opportunities for not only job creation, but the much needed infrastructure. The Navajo Nation has five projects on the existing priority list that exceed, in total, one billion dollars. Funding shortfalls will delay the building of these needed projects. The Navajo Nation has a large hospital facility, Gallup Indian Medical Center, which was cited by the U.S. Commission on Civil Rights as an "utter disaster," the facility requires \$600 million to build. Other hospitals and clinics need an additional \$500 million in appropriations to build facilities. These priority sites include Winslow-Dilkon, Kayenta, Pueblo Pintado, and Bodaway-Gap. While we applaud the Administration's robust IHS request we do ask that funding for IHS not be allocated in such a way as to short change facilities construction. Adding additional monies to repair and maintenance line items is neither sustainable nor cost effective. New facilities are needed, not band aids for irreparable buildings many of which were built over 50 years ago from materials unable to withstand the test of time.

Finally, a major component of infrastructure development is road construction and maintenance. While funding for construction of Navajo roads comes from the highway trust fund which allows 25% of that fund to be used for road maintenance. True road maintenance funding comes from the Interior Appropriation package under TPA. However, TPA dollars are available based tribal needs and priorities. In many instances, road maintenance is not defined as a priority so road programs will receive smaller allocations than other programs within TPA. Interior appropriations are essential for the Nation's road maintenance, and as a result are a major source of jobs on the Navajo Nation.

Public Safety and Justice Services

Our courts and law enforcement programs need to be funded at adequate levels to make our communities safe and prosperous. We need to be funded at 100% of what the Navajo Nation requests, approximately \$55 million, from the Bureau of Indian Affairs to fully staff our police force. This amount will enable the Navajo Nation to achieve parity with other rural communities. We are asking for an equitable and fair funding schema akin to what the BIA would pay itself had the Navajo Nation not contracted the function. The reservation is nearly 27,000 square miles with only 281 officers to cover this large area on 24hr./7day shifts. At times, there is only one (1) law enforcement officer to cover up to 5,000 square miles. Additional highly trained officers will support our cross-deputization efforts with partners like the state police and county sheriffs. The President's 2013 budget maintains FY 2012 funding for facility replacements and employee housing, however, the need to replace old, dilapidated jails and employee housing is still substantial and more funds are necessary.

Education

The Interior Budget for FY 2013 eliminated facility and School construction programs. The Navajo Nation has many run down schools that need replacement. These facility construction line items need funding at the 2010 levels, which were fair budget amounts.

Annually, the Navajo Nation Scholarship Office receives 11,000-14,000 applicants, and only half are awarded to assist with higher education costs. The restoration of Pell Grant, Carl Perkins grants and other educational grants will ensure the Navajo Nation contributes educated, tax-paying citizens to the American workforce. A major issue we hope to see addressed in the funding mechanism for higher education is the lack of forward funding options available for scholarships from the agency. This past fiscal year several hundred students did not receive their scholarship funding due to delays in appropriations and delays within the bureau allocating funding. As a result many students were faced with the stress of disenrollment for non-payment of tuition and sadly some even withdrew from studies. Forward funding the BIE's Higher Education Grants Program in tune with the standard academic cycle makes sense and ultimately saves dollars. The Navajo Nation strongly urges Congress to forward fund the BIE's Higher Education Program as it does for other BIE programs such as K-12 schools (25 U.S.C. §2010) and tribal colleges (25 U.S.C. 1810).

The Navajo Nation owns and operates two higher education institutions: the Dine College and the Navajo Technical College. The Navajo Nation strongly supports funding a facility study authorized by Congress in P.L. 110-315. The authorizing language directed the Department to complete the Facility Study by October 31, 2010 and has failed to do. Completing the Facility Study would be a first step in ensuring Dine College provides a quality learning and working environment. We request Committee language directing the Department to complete the Facility Study and work collaboratively with the Navajo Nation and Dine College.

Federal Regulatory Burdens

The Navajo Nation and the United States are at a crossroads. Our nation needs to foster regional economic development to see us through these tough economic times. Unfortunately, the Navajo Nation faces significant regulatory burdens placed on us by the federal government that hinder development. In terms of energy development, the most onerous of these regulations come from the Environmental Protection Agency. The Navajo Nation is seeking to leverage all of our available assets to spur economic development including our abundant renewable energy resources such as solar and wind, substantial oil and natural gas reserves, and nearly 150 years of low cost coal.

While we look forward to maximizing our available renewable resources, our most abundant, valuable, and stable resource is our vast coal deposits that lie within the Navajo Nation. Coal is, and for the foreseeable future will continue to be, the best source of low cost energy in the United States. Unfortunately, the EPA's hostile view towards any further coal development makes attracting much-needed capital partners to these projects difficult. The Navajo Nation must find solutions to utilizing its vast coal resources.

The Navajo Nation has struggled to find avenues for economic development to provide for our people. However, now that we have found the pathway to economic development we find the federal government imposing regulations counter to self-sufficiency.

Conclusion

The United States is in a financial crisis, and this trend is likely to continue for several years to come. The Navajo Nation fully grasps the reality of the impact of the Deficit Reduction Act and the need to reduce discretionary spending as such instead of just coming to Congress to ask for money. We are trying to create our own sustainable economy that will reduce our dependence on the federal government. To be clear the Navajo Nation holds sacred the importance of the trust responsibility but urges funding of projects and programs that build infrastructure, create jobs, and clear the path for Indian energy independence and innovation. There is only one way out of the trap of poverty and federal dependence, to allow and encourage tribes to stand on their own and develop

their own sustainable economies. In times of decreasing federal budgets this imperative is even more pronounced.

The needs are great for the Navajo Nation, but the development of our nation will be a support to the global and United States economies. Since the federal budget for fiscal 2013 is being drastically cut in various areas, most likely with discretionary funds, I request that this sub-committee and other members of Congress, hold the Navajo Nation and other Native Nations harmless from additional budget cuts, and help us to remove the regulatory burdens that hinder Navajo economic development.

Thank you.