



# STATE OF THE NAVAJO NATION ADDRESS

## PRESIDENT JOE SHIRLEY, JR.

PRESENTED TO THE  
21<sup>ST</sup> NAVAJO NATION COUNCIL  
APRIL 19, 2010

**S**peaker Morgan, Mr. Chief Justice, Navajo Nation Council Delegates, relatives and guests, *Yá'át'ééh!* Once again it is time to present the State of the Navajo Nation address and to share with you our accomplishments of the second quarter of the fiscal year, our challenges and vision for the Navajo Nation.

First, I want to pay tribute to the leadership of the late Navajo Nation Vice President Marshall Plummer. To everyone's sadness and surprise, Mr. Plummer passed away on March 25 at age 62. He served as our Nation's first Vice President from 1991 to 1995 with former President Peterson Zah. Prior to that, he was twice elected to represent Coyote Canyon Chapter on the Navajo Nation Council.

After leaving public office, he was the Governmental Relations manager at the Four Corners Power Plant in Fruitland, N.M., for Arizona Public Service but he never stopped contributing to his community and Nation. To his family, he will always be remembered as the patriarch and advisor to the Plummer youth who never made an important decision without consulting him; as a devoted rancher and rodeo competitor who loved his cattle and horses and his many friends also involved with them; and as a deeply spiritual man of Christian faith and the Navajo way of life.



We were also saddened by the loss of the late Herman Daniels, Sr., Council Delegate from Oljato Chapter. Mr. Daniels was a well-respected and long-time public servant who provided many years of service to his community as the local grazing official, and more recently as your colleague and friend on the Council. Both of these *Diné* leaders will be greatly missed.

As you have read in the regional and local press as recently as last week, opponents of the Desert Rock Energy Project are declaring this important project dead. Unfounded predictions of this sort only serve to confuse and discourage people who look forward to the jobs this project will provide. The week before last, Diné Power Authority General Manager Steven Begay reported to the Resources Committee that although the project has been delayed, it is continuing to move forward.

On Friday, I was informed by Bureau of Indian Affairs Acting Director Mike Black of Washington, D.C., of the BIA's intention to return to a formal consultation process with the Navajo Nation and the project's various stakeholders. He reported that the BIA would resubmit its Biological Assessment to the U.S. Fish & Wildlife Service once it has been updated. Director Black noted the Bureau's intent to resume working with the Navajo Nation to meet the regulatory guidelines and resolve issues related to the project.

I'm grateful for his willingness to work with us at this crucial time. Desert Rock remains our Nation's best chance to begin to rebuild our economy over the long term, generate significant resources for our government and jobs for our people, help us bring our children home, and return us to the pride and independence we once knew as a people.

We also continue to advocate for the health, safety, and welfare of the Navajo Nation. Over many years, far too many lives have been lost because of dangerous driving conditions along U.S. 491. I'm pleased to report that in mid-February, my office received notice from the U.S. Department of Transportation that the Navajo Nation was awarded \$31 million in American Recovery and Reinvestment Act funds to widen and improve U.S. 491 between Shiprock and Gallup. These funds, referred to as a TIGER grant, were awarded after a highly competitive



application process. Only 50 applications were funded, and the Navajo Nation's application was 16<sup>th</sup> on the list and the only one granted for the State of New Mexico. This grant award will not only improve the road between Shiprock and Gallup, and, consequently make it safer for thousands of drivers, but will provide a major boost to our economy by putting people to work.

I am grateful for the leadership of Navajo Division of Transportation Director Tom Platero and his staff for their hard work and effort on behalf of the Navajo Nation. I also want to recognize and acknowledge the persistence of the Honorable New Mexico State Senator John Pinto. Throughout most of his long career, he has worked tenaciously to fund improvements to U.S. 491. We are extremely grateful to him for his advocacy and dedication to the Navajo Nation.

I'm also pleased to announce that on March 25, the Navajo Nation, through the Navajo Tribal Utility Authority, and in partnership with CommNet Wireless, received notice from the National Telecommunications and Information Administration of an ARRA grant award in the amount \$32.2 million for the NTUA Broadband Technology Opportunity Program. This grant will enable NTUA to install 96 strands of aerial fiber optic cable and 33 new microwave tower sites to provide broadband access to 15,120 square miles within the Navajo Nation. This will greatly improve access to Internet technology for the benefit of our schools, hospitals, businesses, chapters and the central government.

This award marks a significantly successful effort led by the Navajo Nation Broadband Work Group, the Navajo Nation Telecommunication Regulatory Commission and Office, and the Department of Information Technology. This coordinated effort between the Nation and NTUA will bring broadband infrastructure and 4G mobile wireless technology to the Navajo Nation. Testing of the network has already begun in Fort Defiance. This award also ensures that the Navajo Nation will own vital telecommunication infrastructure. We can look forward to leading edge mobile wireless broadband technology in the coming years. The construction schedule is for three years, with a substantial amount to be completed within two years. The NNTRC office will monitor and regulate the work.



I want to commend the hard work of all the partners, and especially that of our newly appointed NNTRC Division Director, Mr. Brian Tagaban. He was very instrumental in coordinating efforts among all the parties involved and provided valuable input during the process.

On June 20, 2008, the National Business Center, an agency within the Department of Interior that awards the Navajo Nation's Indirect Cost rate on an annual basis, notified the Nation that the 2007 IDC rate was only 9.78 percent. That is 11.82 percent less than what the Navajo Nation proposed. This resulted in a two-year effort to renegotiate the Nation's rate based upon a more fair and equitable amount. This determination compounded our budget shortfall because the Indirect Cost reimbursements that are relied on for many general-funded programs was no longer available.

I'm pleased to report that after numerous meetings and presentations of the actual contract support that many of our general-funded programs provide, the newly-negotiated rate is now 18.05 percent. I signed the new IDC agreement on April 8 and look forward to the reimbursements the Nation rightfully deserves.

I commend the diligence and hard work of our Navajo Nation Department of Justice and particularly our outside counsel and former Assistant Attorney General, Ms. Dana Bobroff, for negotiating the Nation's new rate. I also commend the Navajo Nation Office of Management and Budget and the Office of the Controller for providing the essential financial information needed to demonstrate the actual contract support provided by our general-funded programs. Through their hard work and effort, the Nation will receive the Indirect Cost reimbursement for FY 2007, worth nearly \$11 million.

Soon we'll begin the process of executing agreements for the FY 2008 and 2009 reimbursements for substantially the same percentage rate. This important negotiation is worth nearly \$30 million to the Nation, and I cannot overstate the significance of this important effort. These funds rightfully belong to the Navajo Nation.



In line with the new Indirect Cost rate, in this fiscal year the Navajo Nation must begin implementation of a new procedure to ensure compliance with reporting requirements. Effective April 12, 2010, I've directed all Navajo Nation employees who work with programs that receive external funds to begin to document their time through Personnel Activity Reports. All Navajo Nation Divisions and Programs are in the process of receiving in-depth training from the Office of Management and Budget on the new policy and reporting requirements. It is incumbent upon all of us to provide the necessary support to ensure continued reimbursements.

We also continue to work hard to bring economic opportunity to the Navajo Nation, for only in this way will the Navajo people regain the independence we knew long ago. I believe many of us are eager to see casinos flourish on the Navajo Nation, and to have the benefit of its revenues so that jobs and business opportunities are available to host chapters, and so that we can provide more governmental services to all of our people.

I am also pleased to report that on March 18, the Navajo Nation received a gaming determination notice from the Director of the Office of Indian Gaming, Ms. Paula Hart, that 432.5 acres of land recently secured under a land purchase option by the Navajo Nation Gaming Enterprise, in partnership with the Navajo Hopi Land Commission, qualifies for gaming purposes once it is taken into trust.

The acquisition of the Twin Arrows Parcel fits squarely with the purpose of the Navajo Hopi Land Settlement Act to benefit those members of the Navajo Nation affected by relocation.

We are currently negotiating terms of a Memorandum of Agreement between the Navajo Nation and the Office of Navajo and Hopi Indian Relocation for the proposed Twin Arrows development. This project, which includes the casino, hotel, conference center and spa, is projected to generate, before debt service and after operating expenses, approximately \$50.7 million in 2012, the first year of operation, with subsequent years increasing to \$61.2 million, \$64.7 million, and \$66.5 million. This project will provide the Nation with a steady revenue stream



necessary to fill in gaps in the budget and to offer essential government services and programs to care for our people.

The partnership with the Office of Navajo and Hopi Indian Relocation is an important component and the proposed MOA is structured to ensure a fair return to ONHIR for the benefit of the relocatees, as well as for the entire Nation.

An important next step in the process of developing our gaming plans is financing. I've encouraged the Investment Committee of the Navajo Nation to help facilitate full development of this important project by giving due consideration, in line with projected construction timelines, to the Twin Arrows Project as an investment on behalf of the Navajo Nation. I understand that last week the Investment Committee did agree to submit the Twin Arrows term sheet to the Budget and Finance Committee, along with the other proposed casino developments.

While I appreciate the committee's approval of the term sheet for the casino development, in order for the Nation to reap the full benefit of the Twin Arrows project, we need full funding for the casino, hotel, conference center and spa. I request that both the Investment Committee and the Budget and Finance Committee consider the full resort development plan so that the Nation can enjoy a bigger return on its investment.

On March 23, the Indian Health Care Improvement Act was permanently reauthorized when President Barack Obama signed the Health Care Reform Bill into law. Division of Health Director, Mr. Anslem Roanhorse, Jr., and I had the distinct honor to represent the Navajo Nation at the Health Care Reform Bill signing ceremony in Washington, D.C.

The Indian Health Care Improvement Act is the key legal authority of the federal government's trust responsibility to provide health care to nearly two million Native Americans and Alaska Natives. It was originally passed in 1976 and reauthorized several times until it expired on September 30, 2000. Over the past decade, many tribal leaders, their staffs, national tribal organizations and health advocates worked conscientiously to get the Act reauthorized. Currently, there are seven major titles in the Act.



I want to highlight several key provisions the Navajo Nation consistently advocated for over the years. First and foremost, now there is no expiration date of the Indian Health Care Improvement Act – which means the Act is permanent. It now protects the existing five Navajo health care facility construction projects from any changes in the construction priority system. These projects include health care centers for Kayenta, Dilkon, Pueblo Pintado, Bodaway-Gap, and the replacement of the Gallup Indian Medical Center. The Act also authorizes a study to determine the feasibility of treating the Navajo Nation as a single state Medicaid Agency to provide services to Native Americans living within the Navajo Nation.

Another important provision is authorization of a comprehensive behavioral health, prevention, and treatment program. This will include community-based care, detoxification, hospitalization, intensive out-patient treatment, residential treatment, transitional living, emergency shelter, case management, and diagnostic services. This is a one-stop model concept that will assure seamless services are provided to those in need. The Act also provides authorization for hospice care, assisted living, long-term care, home-based and community-based care that will be provided by IHS for tribes and tribal organizations.

On behalf of the Navajo Nation, I want to pay special tribute to the late Dr. Taylor McKenzie, the first Navajo surgeon and former Navajo Nation Vice President, who worked single-mindedly to seek reauthorization of the Indian Health Care Improvement Act.

Also, on March 26, the Navajo Nation Commission on Emergency Management lifted the State of Emergency declared on January 21, 2010. “Operation Snowfall 2010” proved to be a tremendous undertaking that resulted in many challenges and successes. Preliminary reports show that more than 12,000 individuals were assisted through the seven district and central emergency operation centers. Individuals received emergency provisions such as food, firewood, coal, blankets and other supplies. Livestock owners were provided with supplies of hay and feed, and the Navajo Division of Transportation conducted around-the-clock operations during times of major snowfall to keep roadways clear for motorists.



“Operation Snowfall 2010” was funded principally by the Executive Branch and from donations received from Navajo Nation enterprises and outside organizations such as the National Congress of American Indians, the California San Manuel Band of Mission Indians, the Arizona Community Foundation and the Iowa Tribe of Oklahoma. We are especially grateful for the outpouring of support to help our people most affected by the severe winter weather.

In closing, I want to commend the Navajo Nation Commission and Department of Emergency Management, the Bio-Terrorism Preparedness Program, and all Navajo Nation divisions, programs, and employees who worked tirelessly to box and deliver provisions, staff the command centers, and assist in the overall effort.

We are now in the process of submitting applications for reimbursement of expenses through FEMA. This will require approval of the Nation’s Mitigation Plan which has been pending approval of the Intergovernmental Relations Committee for more than a year. I encourage the committee to quickly consider and approve the plan so the Nation can be fully reimbursed.

Thank you.