



# THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

FOR IMMEDIATE RELEASE

OCT. 15, 2007

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## Navajo President Joe Shirley, Jr., appeals to Navajo Council to expedite review, approval of gaming \$100 million financing

**WINDOW ROCK, Ariz.** – Navajo Nation President Joe Shirley, Jr., today appealed to the Navajo Nation Council to expedite its review and approval of a proposed \$100 million line of credit to begin casino gaming on the Navajo Nation during in his quarterly State of the Navajo Nation address.

interest rates are very favorable to the Nation. But obviously the longer we delay, the more we run the risk that the rates will increase to the detriment of the Nation.”

President Shirley said that without the line of credit, the Nation can still move forward with gaming development through a management agreement but that the cost will be considerably higher.



“The Nation (will have) to pay an outside developer 30-to-40 percent of the gross revenues for up to seven years and will require approval from the National Indian Gaming Commission,” he said. “Making matters worse is that the approval process for management agreements typically takes 18-to-24 months. I view the millions and millions of dollars that would be paid to an outside developer as an unnecessary expense that takes away from our ability to provide essential services to our people.”

Other topics the President discussed were:

- The U.S Court of Appeals ruling in favor of the Navajo Nation against the U.S.

*Navajo Nation President Joe Shirley, Jr., speaks to the 21<sup>st</sup> Navajo Nation Council during his quarterly State of the Navajo Nation address. The President urges the Council to expedite its review of a \$100 million line of credit legislation, a recent U.S. Appeals Court decision in favor of the Navajo Nation and other topics.*

government for breach of its statutory and fiduciary duty to the Navajo Nation.

In a special session on Friday, the council voted 39-31 to refer the gaming legislation to its Budget & Finance Committee for up to 60 days. The council began its fall session today, and accepted the President’s report by a vote of 59-3.

- The clearance of 756 federal and tribal background checks for Navajo Head Start employees as of July 13, and noting that 132 Head Start centers are fully operational, and 51 home-based centers are providing services to more than 2,400 children now enrolled in the program.

“I am extremely concerned about the delay which is ensuing because of the non-approval of the loan proposal,” the President told the council. “Right now,

- Receipt of \$1 million from the Bureau of Indian Affairs for planning rehabilitation of the 1.5 million acres of the former Bennett Freeze Area, and the President’s appointment of individuals to serve on the Executive

Branch Bennett Freeze Area Rehabilitation Task Force to work with local communities, the Navajo-Hopi Land Commission and the President's office to devise the strategy.

- Streamlining financial processes within the Navajo Nation Division of Finance.
- His encouragement of council support for proposed amendments to the Navajo Nation Local Governance Act.

Regarding gaming, President Shirley appealed to council delegates to put the interests of the Navajo Nation before those of individual chapters who seek casinos in order to approve legislation for the \$100 million line of credit.

"We need to ensure that gaming development within the Navajo Nation is based upon a solid business decision, is supported by feasibility studies, and is done consistent with the requirements of the Navajo Nation Gaming Ordinance and state compacts," he said. "This line of credit proposal should not be used as leverage for development at a specific location."

The President also expressed concern that if council members try to change the terms of the loan that have been negotiated, it could affect the outcome.

"If the bank is not agreeable to any new terms, the entire agreement will be jeopardized," he said.

Regarding the Sept. 13 decision of the U.S. appeals court, he said the court found that the U.S. Interior Dept. "blatantly violated its most fundamental duties to the Navajo Nation in its dishonest collusion with Peabody."

He said it is likely the federal government will appeal the case but that the recent decision is stronger than an earlier one that ruled against the Navajo Nation.

He credited Navajo Nation Attorney General Louis Denetsosie, Deputy Attorney General Harrison Tsosie, staff at the Navajo Nation Department of Justice, and outside counsel Paul Frye with the success of the case.

"Even with the 2003 defeat in the U.S. Supreme Court, these attorneys refused to yield, re-examined the law, and persuaded the U.S. Court of Appeals of the compelling nature of this case," President Shirley said.

Regarding Head Start, the President said the federal Head Start Bureau will conduct a program review in about 45 days, to determine whether the Navajo Head Start Program has corrected its outstanding findings from over one year ago. He said the central administration recently completed a Fiscal Year 2007 budget modification to pay for 10 modular classrooms and playground equipment. The program also recently completed and submitted its fiscal year 2008 refunding application in the amount of \$34 million as well as \$757,000 for our Early Head Start Program.

Regarding the lifting of the development prohibition across the 40-year-old Bennett Freeze Area, President Shirley said it was important to prioritize the rehabilitation of the entire 1.5 million acre area.

"Few of our people have suffered as much or for so long, or have been as powerless to do anything to improve the quality of their lives, as residents of the former Bennett Freeze Area," he said. "Every problem we can find across the Navajo Nation could be multiplied ten-fold in the Bennett Freeze, and we as leaders have a solemn duty to do all we can to rectify that."

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