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**Delegate Bates sponsors legislation seeking \$4 million
For costs associated with the acquisition of BHP Navajo Mine**

WINDOW ROCK – Council Delegate LoRenzo Bates (Nenahnezad, Newcomb, San Juan, Tiis Tsoh Sikaad, Tse’Daa’Kaan, Upper Fruitland) introduced Legislation No. 0305-13, seeking approximately \$4 million from the Navajo Nation’s Unreserved, Undesignated Fund Balance to fund initial and immediate costs and obligations associated with the completion of ongoing negotiations and to close on the transactions for the acquisition of Navajo Mine from BHP Billiton.

On Apr. 29, the Council approved the formation of the Navajo Transitional Energy Company, LLC to carry out necessary business actions on behalf of the Nation in its endeavors for the possible acquisition of the BHP Navajo Mine.

“When the Council formed NTEC, it empowered the NTEC board to carry out the purchase of Navajo Mine, but there was no funding behind it,” said co-sponsor Speaker Johnny Naize (Low Mountain, Many Farms, Nazlini, Tachee/Blue Gap, Tselani/Cottonwood). “It is critical that NTEC be funded to carry out the next step in this process.”

Among other economic impacts, Speaker Naize pointed out that the purchase of Navajo Mine would preserve over 800 jobs at the Four Corners Power Plant and Navajo Mine, and preserve \$40 million of annual taxes and royalties to the Navajo Nation.

According to the legislation, if the proposed bill is approved by Council and executed by President Ben Shelly, the \$4 million will be released in three disbursements to NTEC.

The first disbursement totaling approximately \$1.6 million will be for NTEC’s pre-closing operating expenses and for outstanding invoices for transaction expenses.

In the second disbursement, approximately \$1.3 million will be released for additional estimated transaction expenses to closing, upon the signing of the Equity Interest Purchase Agreement between NTEC and BHP Billiton.

The final disbursement, totaling approximately \$1.1 million will be used for NTEC’s post-closing operating expenses, upon the closing of the Coal Supply Agreement between NTEC and the Four Corners Power Plant.

Initially, the Mine Management Agreement with BHP Billiton and a Coal Supply Agreement with APS, were scheduled to be completed by July of this year. However, due to several setbacks, NTEC's timeframe for completing the potential purchase has lessened.

Delegate Bates said the Arizona Corporation Commission's decision earlier this year to open an inquiry, which was closed in September, into the possible deregulation of the electric market in the State of Arizona was a major setback.

"Now that the ACC decision came down we can move, but what it has done is it has tightened up the calendar and timeline for the purchase," said Delegate Bates. "The Navajo Nation, APS, and BHP have to make decisions to stay within that timeline."

The cost of the mine is estimated to be \$85 million, for which a funding source has yet to be determined.

According to the assignment of legislation memorandum, the bill will be considered by the Resources and Development Committee, Budget and Finance Committee, Naabik'iyáti' Committee, and the Navajo Nation Council.

Please visit <http://www.navajonationcouncil.org/Legislations/2013/Oct/0305-13.pdf> to view the proposed legislation. The five-day comment period for the legislation ends on Oct. 7.

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