



23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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Naabik'iyáti' Committee recommends approval of federal charter of incorporation petition for Navajo Transitional Energy Company

WINDOW ROCK – On Tuesday, the Naabik'iyáti' Committee issued a “do pass” recommendation with a vote of 12-6 for Legislation No. 0378-18, which seeks the Navajo Nation Council’s approval of a petition to the U.S. Department of the Interior to issue a federal charter of incorporation to the Navajo Nation for the Navajo Transitional Energy Company, as a for-profit company under the Indian Reorganization Act.

In 1934, with the passage of the Indian Reorganization Act congress created the Section 17 corporation business structure to “permit Indian tribes to equip themselves with the devices of modern business organization, through forming themselves into business corporations.”

Legislation sponsor Council Delegate Benjamin L. Bennett (Crystal, Fort Defiance, Red Lake, Sawmill) was joined by NTEC’s management board chair Timothy H. McLaughlin and NTEC’s government and external relations director Steve Grey, in presenting the bill to the committee and requesting their support.

NTEC board chair Timothy H. McLaughlin explained that if NTEC were to become a Section 17 corporation it would offer several advantages including federal tax exemption, which would allow the company to reinvest those funds back into the company and other services that benefit Navajo communities. The status would also allow NTEC to issue tax-exempt bonds.

“It would put us in a better financial position and it presents other opportunities to reinvest here on the Navajo Nation rather than sending the tax dollars off the Nation,” stated McLaughlin.

In order to establish NTEC as a Section 17 corporation the Indian Reorganization Act requires the Navajo Nation to submit a petition to the Secretary of the Interior through a Council resolution. In 2003, the authority to approve and issue a federal charter was delegated to the Bureau of Indian Affairs regional offices.

If the Navajo Nation Council approves the petition, Navajo BIA Regional director Bart Stevens would be delegated to approve or disapprove the petition. If approved by the BIA, the Council would then have to pass another resolution to ratify the federal charter for it to become effective.

Council Delegate Alton Joe Shepherd (Jeddito, Cornfields, Ganado, Kin Dah Lichíí, Steamboat) recommended that language be included in the document to require NTEC to distribute dividends on a regular basis to the Navajo Nation. He said that if NTEC does not have to pay federal and state taxes, the company should set aside a reasonable percentage of their net revenues for the benefit of the entire Navajo Nation.

“I’m advocating for this because of the Navajo people out there,” stated Delegate Shepherd.

At the conclusion of Tuesday’s discussion, the Naabik’iyátí’ Committee voted 12-6 in support of Legislation No. 0378-18. The Navajo Nation Council serves as the final authority for the bill.

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