



SPEAKER'S REPORT TO THE COUNCIL

SPEAKER LAWRENCE T. MORGAN

~ FOURTH QUARTERLY REPORT ~

PRESENTED TO THE
21ST NAVAJO NATION COUNCIL

Monday, October 18, 2010

*Y*á'át'ééh, Honorable Council delegates of the 21st Navajo Nation Council, President Shirley, Vice President Shelly, Honorable Chief Justice, distinguished guests, visitors and staff.

It is my pleasure to welcome you to the 2010 Fall Session of the 21st Navajo Nation Council. This historical session marks the last time we will convene as an 88-member body during a regular Council session. Throughout our tenure as lawmakers, we accomplished various goals and enacted historical pieces of legislation on behalf of the Navajo people. We have been a responsive, accountable government who has preserved, protected and enhanced our Diné culture and sovereignty. Most of us have served more than one term in the Council; some of us have been a Council delegate since the inception of the 88 member body, serving 20 years. No matter how long we served our legacy as the 88-member Council will be remembered for many generations, we laid the foundation as the true governing body of the Navajo Nation. In January, the reign of the 88-member Council will end after 20 years as we welcome a new Council of 24 Council delegates in the 22nd Navajo Nation Council.

In our honor, Honorable Council delegates Jerry Bodie and David Shondee sponsored horse ride expeditions to commemorate our legacy. I want to extend my gratitude for their efforts in carrying on the tradition of how our past Naat'aani traveled to the Council Chamber on horseback to meet on pertinent issues affecting our people and how our current Naat'aanii continue to do this today.

Some of our accomplishments, which date back to my first term as Speaker of the Navajo Nation Council, include the expansion and improvements to U.S. Highway 491 in New Mexico. The Transportation and Community Development Committee, Government Services Committee and Resources Committee played key roles in allocating \$8 million for U.S. 491's expansion into four lanes from Shiprock to Gallup, N.M. New Mexico State Senator John Pinto played an instrumental role in securing funding from Gov. Bill Richardson's GRIP



project for the highway's expansion efforts. Currently, the highway is undergoing construction from Table Mesa to Newcomb, N.M. The whole point of this project is to provide safety for our Navajo constituents, including tourists who travel this corridor.

In 2005, the 20th Navajo Nation Council voted favorably to enact the Diné Natural Resources Protection Act, which banned uranium mining on the Navajo Nation. This law ensures there is no further damage to the culture, society and economy of the Navajo Nation. The Resources Committee and Navajo Environmental Protection Agency in conjunction with the U.S. Environmental Protection Agency have met with congressional leaders on a Navajo uranium five-year plan implemented to address uranium contamination on the Navajo Nation. The Navajo uranium five-year plan was initiated by Rep. Henry Waxman in October 2007, following congressional hearings on uranium contamination. The Resources Committee and their Chairman George Arthur have and continue to testify before congressional leaders in an effort to fully address the legacies of uranium mining on the Navajo Nation.

Last summer, the 21st Navajo Nation Council passed sweeping legislation creating the Navajo Green Economy Commission. The passage of this legislation affords the Navajo Nation the opportunity to establish the infrastructure needed to capture federal money earmarked for green development. It also supports small scale energy projects, green manufacturing, energy efficiency projects and reviving traditional agriculture. Ultimately, the intent of this law is to wean the Navajo Nation from its dependence on non-renewable natural resources such as coal, crude oil, uranium and reduce green house gas emissions. This law is monumental because it benefits the future of the Navajo Nation from generations to generations to come.

On Oct. 19, 2006, the 20th Navajo Nation Council passed legislation establishing the Navajo Nation Human Rights Commission. The establishment of the Navajo Nation Human Rights Commission has provided a voice and place for our Navajo people to file human rights violations as a result of discriminatory actions. The commission conducts public hearings in and near border towns to assess the state of affairs between Navajos and non-Navajos, investigate written complaints involving discrimination of Navajo citizens, network with local, state, national and international groups and advocate for recognition of Navajo human rights, educating the public about human rights and the Navajo Nation's intolerance of human rights violations. To date, the Navajo Nation Human Rights Commission has signed three MOUs with the cities of Gallup, Grants and Farmington, which encourages mutual respect and race relations between these cities and the Navajo Nation.

Another major accomplishment of the Navajo Nation Council is the settlement of the Navajo-San Juan River Water Rights Settlement, which had been disputed since 1975 and approved by the 20th Navajo Nation Council in 2004. In March 2007, Congress approved the water settlement making the reality of supplying much needed water to about 80,000 Navajos in New Mexico. The approval by Congress authorizes the construction of



the Navajo-Gallup Water Supply Project with 37,764 acre feet of water per year. Currently, this sitting Council is debating another water settlement, the Northeastern Arizona Water Rights Settlement, which would give the Navajo Nation 31,000 acre-feet of water per year from the Colorado River. The settlement would also provide the Navajo Nation access to un-appropriated surface flows from the Little Colorado River and nearly unlimited access to the Navajo and Coconino Aquifers, which are located beneath the Navajo Nation. On Nov. 4, this Council will decide the Northeastern Arizona Water Rights Settlement during a special session.

After two failed attempts to legalized gaming on the Navajo Nation, the third time was the charm when the Navajo people voted on a 2004 referendum to legalize gaming. Since the peoples' approval for gaming on the Navajo Nation, two casinos have been constructed: the Fire Rock Navajo Casino in 2008 at the Church Rock Chapter and most recently the Flowing Water Navajo Casino in Hogback Chapter, who celebrated their grand opening last week. Two more casino facilities at the Upper Fruitland Chapter and the Twin Arrows Casino and Resort near Flagstaff, Ariz., are still in the planning stages with construction projected to occur in the next few months. The creation of a gaming economy on the Navajo Nation would not have happened without the role of the Navajo Nation Council, including the Budget and Finance Committee, who approved the term sheets for our gaming facilities. Casino development in these areas has provided much needed jobs for our Navajo families, infrastructure development and revenue for the Navajo Nation. Currently, gaming negotiations are ongoing with both the states of Arizona and New Mexico, which I will highlight later in this report.

I would also like to commend the Judiciary Committee and their Chairman Kee Allen Begay for spearheading efforts to build the much needed multi-purpose district court building in Dilkon, Ariz. The grand opening of this new facility was held on July 31, 2008. It is a beautiful 14,000-square-foot facility that is situated on 2.3 acres of land just north of milepost 55 along Route 15. This complex was made a reality with the collaborative efforts of the 21st Navajo Nation Council, the Judiciary Committee, the Arizona State Legislature, former Arizona Gov. Janet Napolitano and former lobbyist Katosha Nakai.

These accomplishments among many others would not be possible without the cooperation of the various governments that we work with. The concept of cooperation is our driving force and it has been the focus of my office's efforts to improve and strengthen our working relationships. The Navajo people's quality of life and their well being has been the guiding principle of my administration and my office has made this their pinnacle objective.

Furthermore, I am honored to present the Fourth Quarterly Report of the Legislative Branch and my final report as Speaker of the Navajo Nation Council. I thank you for attending the session today. We have a full agenda this Fall Session and I look forward to the discussions surrounding the proposed pieces of legislation. Each of you will receive a compact disc Tuesday which includes the most up to date information on current



projects, and initiatives from each standing committee, including commissions and boards within the legislative branch.

Before I begin my fourth quarter report, I send my sincere condolences to the family of the late Dylmer Yazzie, who served as Council delegate for the communities of Many Farms and Rough Rock during the 19th Navajo Nation Council. We lost a great leader and it was a pleasure serving on the 19th Council with him. He will certainly be missed. We are thankful for his years of service to the Nation and send our prayers to his family and friends.

I also send my condolences to the family of the late Marine Sgt. Allen Dale June. He was one of the 29 original Navajo Code Talkers who was charged with creating radio codes that were unbreakable by the Japanese during World War II. We are truly fortunate to have had such a noble man, including other Code Talkers who played significant roles in American history, as well as our own Navajo history. Families of our passed veterans should be proud of the legacies our Code Talkers left behind, the legacies of those who proudly and fiercely served our country and defended our lands, our ways of life and our language.

During this last quarter, the Budget and Finance Committee, Judiciary Committee and Public Safety committee participated in the traditional groundbreaking ceremony of a \$53.5 million Justice Center in Tuba City, Ariz. Collaboration with key Navajo Nation officials from the executive and judicial branches was important to this project and is a true example of the three branches working cooperatively for the benefit of the Navajo people. The construction of this 144,000 square foot facility is scheduled for completion by next November and will consist of a detention center, district court and public safety programs. \$38.5 million from President Obama's stimulus act money is funding the detention center, with \$15 million financing the construction of the police department and district court. The \$15 million comes from a portion of the \$60 million Key Bank Loan that the Budget and Finance Committee secured for the Navajo Nation after a two year effort. The Budget and Finance Committee also created a one cent tax-set aside to acquire the finances needed to help construct the project. The other portion of the Key Bank Loan will help finance the construction of a public safety facility in Crownpoint, N.M., similar to the one at Tuba City. The construction of these facilities will help strengthen our judicial branch, so our judges may enforce the laws passed by the Council, and ultimately create a safer environment for our Navajo people.

I also thank the City of Gallup and Mayor Harry Mendoza for signing a Memorandum of Agreement that encourages mutual respect between the Navajo people and the community of Gallup, N.M. The City of Gallup is the second border town, after the City of Grants, to sign an MOU with the Navajo Nation that promotes, respect, culture sensitivity, diversity, fairness and integrity. This MOU allows for improved communication and coordination of services between the Navajo Nation Human Rights Commission and the city to work on addressing race



relations. Last month, the commission, Office of the Navajo Nation Human Rights Commission and the City of Grants held its first mayors' summit on Sept. 10 in Window Rock to discuss and address race relations in communities surrounding the Navajo Nation. The commission, office, and City of Grants invited 12 border town mayors to the first ever summit. The mayors of Aztec, Farmington, Grants and Gallup participated in the summit. At the summit, the City of Gallup agreed to host the second mayors' summit in order to strengthen the communication on race relations between the Navajo Nation and the border town mayors in 2011.

Furthermore, I would like to mention the Window Rock District Court denying a preliminary injunction filed by Navajo Nation President Joe Shirley, Jr., who has attempted to halt a referendum to elect Navajo Nation Judges and Justices. I commend Judge Allen Sloan for sticking to the facts of the case to provide the Navajo people the fundamental right to vote and an opportunity to chose who they want as leaders of the Navajo Nation Judiciary. I encourage the Navajo people who vote early to submit their absentee ballots in what is considered an historical general election. The Navajo people have until Oct. 29 to submit their absentee ballots. Public education efforts have begun and during this session we have a piece of legislation that, if passed, would appropriate \$173,330 to the Navajo Election Administration for more educational costs. I appreciate the efforts of the district court for honoring tribal laws and displaying respect for the Navajo people's voice.

As we are all aware, the State of Arizona has and continues to face a multi-billion dollar deficit, which continues to have adverse impacts on programs serving state residents, and our Navajo people. In order to address this issue, it is incumbent upon us to hold the state accountable to its funding and contractual obligations. To this end, I am pleased to acknowledge the foresight of Honorable Kee Allen Begay, Jr., my staff, the negotiation of the Navajo Department of Justice, and the leadership of Honorable Terry Goddard, Arizona State Attorney General, for reaching an agreement to streamline the process of negotiating inter-governmental contracts on a continual basis. Their efforts minimize the legal bureaucracy between the state and the Navajo Nation on state funds that may otherwise lay idle and available for state legislatures to revert back to state coffers. This agreement, which was carried out on Aug. 5, alleviates some of the red tape involved in accepting monies, and will allow us to deliver services at a faster pace.

With state elections upon us in Arizona, I urge you to inform your constituents to consider not only candidates running for office and how they may impact the well being of our nation, but also that of propositions. With this in mind, I want to thank the members of the Intergovernmental Relations Committee for supporting my legislation to oppose the passage of Arizona State Referendum 107 and encourage the Navajo people to vote against this measure. The referendum is a resolution seeking to eliminate equal opportunity programs within the state of Arizona that will effectively put an end to higher educational opportunities and the opportunity to compete



on a level playing field for small business contracts and employment for Navajos and Navajo owned businesses with the state of Arizona, its political subdivisions, and all public universities.

My office through the efforts of my staff assistant, Eric Descheenie, is an active member of the Protect Arizona's Freedom coalition, a statewide entity opposing this referendum. My office is taking the lead in educating Arizona voters on behalf of the Navajo Nation on what this measure would mean for our people. If the referendum becomes law, it would significantly compromise our students' opportunities to achieve a higher education and subject our Navajo-owned businesses to unfair business practices among other ill effects. On Nov. 2, I truly hope Arizona votes this proposition down.

We have made significant strides in improving our relationship with the state of Arizona over the past few years. You will recall I created the Intergovernmental Relations State Task Force in January 2009 to bridge the intergovernmental gap with Arizona and to carry out a concerted and strategic plan in working with Arizona officials. This foundational policy and this body of Council delegates delivered once again in receiving Arizona Gov. Jan Brewer at the Navajo Nation Fair on Sept. 12. I thank and acknowledge IGR Task Force member Leonard Chee and fellow Council delegate Evelyn Acothley for successfully making the governor's arrival mutually enjoyable and rewarding.

With the Governor's arrival came her signing of a support letter for the Navajo Nation's recent application to the U.S. Department of Interior to turn 432.5 acres of simple fee land into tribal trust for the development of the Twin Arrows Casino and Resort. As a general opponent to gaming, the governor's support comes as a surprise. As such, I strongly believe her advocacy in this regard is a testament to not only the quality of work of our Navajo Nation Gaming Enterprise, among others, but also the efforts of the IGR State Task Force and Gaming Subcommittee. I commend Honorable Leonard Chee, a member to both of these IGR bodies, and my staff who have contributed significantly to these initiatives.

As you know, the health and welfare of our communities is in part contingent on the well being of our sacred mountains, in particular that of Dook'o'oslííd. For decades now, we have defended the sanctity of Dook'o'oslííd from aggressors like the Arizona Snowbowl Ski Resort. My colleagues, you were taken to task once again by Arizona Snowbowl through their efforts to convince the Flagstaff City Council to amend its contract to allow the purchase of drinkable water for artificial snowmaking as well as to reset the clock for 20 years of further desecration of Dook'o'oslííd.

On July 21, the Council responded to this threat with a resounding resolution urging the Flagstaff City Council to disapprove the proposed contract and to reaffirm our opposition to any and all ski resort expansion. Through what became an extensive lobbying effort of the Flagstaff City Council members, the emergence of a unified tribal front consisting of several tribes and thoughtful testimony, the Navajo Nation including the advocacy



of Vice President Ben Shelly, among others, shifted a city council vote from a likely "approval" to "disapproval" of the ski resort's desires on a vote of 5-2. For this, I especially want to acknowledge Council delegate Thomas Walker, Jr. and my Legislative Staff Assistant, Eric Descheenie, for their work in thwarting the efforts of the Arizona Snowbowl Ski Resort.

Like Arizona, the state of New Mexico is also facing a drastic budget shortfall and is currently establishing forces and options to solve their deficit such as the creation of the Government Restructuring Task Force by the New Mexico State Legislature. The Government Restructuring Task Force was created in early 2010 and has met five times with their most recent meeting on Sept. 16-17 in Santa Fe. During that meeting, the taskforce discussed the possibility of consolidating certain departments, including the New Mexico Indian Affairs Department, to provide more efficiency across the state government. However, that thought was quickly extinguished based on the amount of support generated by New Mexico tribal leaders to maintain the status quo. I commend the efforts of my office and IGR State Task Force member LoRenzo Bates for attending that meeting, as we sent a strong message to the state of New Mexico on the importance of the department's existence and the Tribal State Collaboration Act. Additionally, the IGR Committee passed a resolution in support of keeping the New Mexico Indian Affairs Department.

As a result of the budget deficit, the New Mexico Capital Outlay Department is also exploring the possibility of recapturing capital outlay funds from previous project allocations in an effort to help balance the state budget. As of June 30, however, the Navajo Nation had spent over half of its total allocations. The Navajo Nation Capital Improvement Office has been instrumental in streamlining our bureaucratic process for Navajo projects to have a higher success rate. It is important the Navajo Nation streamlines its process because these monies benefit our communities with basic infrastructure.

In other New Mexico issues, the U.S. Environmental Protection Agency recently issued its proposed rulemaking Oct. 6 for the Four Corners Power Plant near Farmington, N.M. Considered to be the strictest standards for nitrogen oxide emissions, the proposed rule making will improve visibility and human health by reducing nitrogen oxide emissions from 45,000 tons per year to 9,000 tons per year. According to proposed rule making, EPA will require power plant operators, which includes Arizona Public Service, to install the most stringent pollution control available for this type of facility. A domino effect is likely to happen among customers who benefit from this source of energy because customers would pay a higher percentage for energy services compared to current costs, which could impact the revenue we receive from our coal reserves. For APS customers, they would pay 70 cents per week. It is uncertain if the proposed rule will have an affect, if any, on the current lease negotiations with the Navajo Nation. The Resources Committee is aware of U.S. EPA's press



release and has planned to meet with the Navajo Environmental Protection Agency and Navajo Department of Justice to further discuss the issue.

During the September meeting with the state, House Memorial 74 was brought to the attention of tribal leaders. House Memorial 74 essentially addresses land grant issues and how local tribes want clarification on land grant status. Currently, land grants are classified as state lands and the issue is whether these land grants should be treated as private property. This is a major question for tribes as the land grants that are in question encompass Mt. Taylor, a sacred site to tribes in the Southwest. Presently, Mt. Taylor is designated as a Traditional Cultural Property (TCP) under land grant status and requires tribal consultation for any form of desecration. If the land grant in question is considered private property by the State of New Mexico it would impact the TCP designation for Mt. Taylor, which could then allow for uranium exploration and mining interests. The Pueblos of the Rio Grande Valley, Zuni Pueblo, and Navajo Nation are vehemently opposed to any action taken by the state legislature that would upset the status quo. At the Indian Affairs Committee meeting held last month in Gallup, I delivered the Navajo Nation's position for keeping Mt. Taylor as a TCP. The issue was treated as a report so legislative action was taken on the issue. However, several attempts have been made to remove the TCP designation and have failed. It seems the attempts will continue to be made by land grant communities or outside interests.

In other important New Mexico affairs, there are three General Obligation Bonds on the November ballot that will greatly benefit the Navajo Nation. The first bond would provide \$814,100 for constructing and improving senior citizen centers in 11 Navajo chapters in New Mexico, the second bond would provide \$1 million for tribal libraries statewide and the third bond would allocate \$1.5 million to Navajo Technical College classrooms on the Crownpoint campus. I encourage you to inform your constituents to vote in favor of these bonds, which will bring infrastructure and improvements to the Navajo Nation.

As you all know, gaming development is an important aspect of the Navajo economy, and my office, along with the Intergovernmental Relations Taskforce on Gaming, has met with Governor Richardson on various occasions. The governor's Gaming Compact Outreach has met with seven tribes and the New Mexico Indian Gaming Association regarding tribal interests in gaming. To date, the Navajo Nation IGR Gaming Task Force and Navajo Nation Gaming Enterprise have met with the governor's Negotiating Team twice and are planning a third meeting, which has yet to be scheduled by the governor's office. Although the contents of the negotiations are confidential, the Navajo Nation has held firm to their requests.

My office is also working with the state of New Mexico in generating a proposal to submit to the Centers for Medicare and Medicaid Services, a federal agency that oversees programs across the U.S. The collaboration with the state is important to saving much needed dollars to continue providing Medicare and Medicaid for Native



Americans in the state. Anslem Roanhorse, executive director for the Navajo Division of Health, is part of the Redesign Team and represents the Navajo Nation's interests. Recently, the proposal was approved by the Intergovernmental Relations Committee and forwarded to the State of New Mexico for their continuing work on the draft proposal. If the proposal is approved by the CMMS, it will become a model for other tribes to use in their respective states.

In other projects, my office has been involved with the Navajo Green Economy Commission (NGEC). The NGEC has been participating in the panels and discussions on the development of the Navajo Nation's Energy Policy, and works to continue to help strengthen current programs. Many of the commission members have met with you, and have listened and shared with you their ideas towards a green economy. Our office has also been working with the State of New Mexico Green Cabinet to provide input on how we want New Mexico's green cabinet to work with our nation.

In the area of youth projects, our office has been working closely with the Shideezhi Project, a non-profit organization committed to mentoring young Navajo girls on the Nation and pairing them with a female mentor who has a Masters in Business Administration. Many of you have had the opportunity to meet with the program's membership liaison and hear about the goals the program has, and we look forward to your support in their efforts in moving the mission forward. The mentors will be making their follow-up visit with their mentees this week from October 21-24, and our office will be helping coordinating the events for their visit. The Shideezhi Project is integral to strengthening our young Navajo women.

Our office continues to work on various special projects and public relations events, where the work of the 21st Navajo Nation Council and the Office of the Speaker is duly highlighted. Recently, my office participated in the 99th Annual Shiprock Navajo Fair festivities, and have participated in other public relations projects. We continue to support youth efforts and activities that will meet the unique needs of the sprawling Navajo Nation. As always, my staff is here to assist you and will continue to work diligently on important projects for our Nation.

In the area of communications, the public information section has provided daily coverage of standing committees, commissions and boards. Press releases are sent out on a daily basis, and the Council's work this quarter has been highlighted in the Legislator newsletter.

My colleagues, as you can see, my office continues to work hard on your behalf, and on behalf of the Navajo people. We will continue to be available to you as a resource, and will continue to help advise you on important issues for the rest of our term.

During this Council session, we will once again discuss and make decisions on issues that will have significant impact on our Navajo people in the years to come. Thank you for your hard work and dedication. I look forward to the work we will accomplish this week. Ahéhee.'