



STATE OF THE NAVAJO NATION ADDRESS

PRESIDENT JOE SHIRLEY, JR.

PRESENTED TO THE
21ST NAVAJO NATION COUNCIL
OCTOBER 18, 2010

Speaker Morgan, Navajo Nation Council Delegates, relatives and guests, *Ya'at'eeh!* Very few are allowed the honor of serving the Navajo People as their President for eight years as I have been, and for that I am deeply grateful. Like many of you, no one raised from humble beginnings of the wood fire, the dirt floor and the sheep corral can help but feel a great and lasting pride at having served our People at the highest level of government, whether on the Nation's Council or in the President's office.

Governing is difficult. It takes years to prepare for; to acquire education, grow in experience and attain wisdom. Thankfully, we have our teachings and our way of life to give us perseverance as individuals, guidance as a government, and strength as a Nation.

We are all here for one purpose – to help our People regain the full measure of self-determination, independence and sovereignty we once knew. As leaders, we are here to protect the rights of our citizens that so many of our warriors sacrificed for. We are here to ensure that our men, women and children are safe in their communities, become educated, employed and self-sufficient to the extent they can. We are here to safeguard the knowledge of our elders, our sacred language,



ceremonies and way of life so that 100 years from now when a Navajo steps toward the dawn to pray, the Holy Ones recognize that person as *Diné*. To a large extent, we are accomplishing that, although the job is never done.

In 2003, my Administration's goal was to set our Nation on the road toward that independence and freedom. I'm pleased that over the last eight years we have been blessed with many wonderful gains that will stand for decades. We can be proud of our accomplishments on some of the most important issues: education, public safety, job creation, and our Nation's sovereignty. No one achieves anything alone. These successes are as much yours as they are mine, our dedicated employees' who did the hard work behind each one, and the Navajo People's.

Paramount among them is the 2005 San Juan River Water Rights Settlement Agreement with New Mexico. It was signed into law by President Obama on March 30, 2009, through the Omnibus Public Lands Management Act. This is the largest Native American water settlement in American history. It promises to bring clean drinking water to 80,000 residents in the Eastern Navajo Agency, Window Rock and Gallup. It will open the door to new schools, clinics and businesses that cannot exist without water. The next step in this historic process is approval of the Northeastern Arizona Indian Water Rights Settlement. This will ensure our rights in the Little Colorado River Basin and the Lower Colorado River Basin, and bring Colorado River water to Western Navajo communities through the Western Navajo Pipeline.

It is our prayer that Congress will approve funding to build the two large regional groundwater projects that will bring reliable water to Leupp, Dilkon and Ganado. Developing water infrastructure is critical to the economic development and self-sufficiency of our Nation. Colorado River water is a key to the independence we seek. Approval of the Arizona settlement will lay the foundation for others. The Navajo Nation Water Rights Commission has already negotiated a settlement with the



State of Utah that would guarantee the Nation the right to use more than 300,000 acre-feet of water per year. I have every confidence that the many years of work and careful negotiation by our Water Rights Commission and staff will achieve the goals we want that could not have been achieved through litigation.

Another tremendous success is our Gaming Enterprise and Gaming Regulatory Office. Although the Nation built our first casino 20 years after passage of the 1988 Indian Gaming Regulatory Act, Navajo gaming has proven to be overwhelmingly successful. The nearly two-year-old Fire Rock Casino employs 314 workers, has a \$9.2 million payroll, and its parking lot is often full. Last Wednesday, we opened the doors to more large crowds at the \$3.1 million Flowing Water Casino at *Tse' Daa K'aan*. Although small in size, it holds 120 gaming machines and has created 64 full-time jobs. Under the leadership of Gaming Enterprise CEO Bob Winter, next month we will break ground on our third casino in Upper Fruitland. We expect to employ 375 casino workers and 131 hotel employees with a combined payroll of \$17.6 million. Later this fall, crews will begin the \$120 million Twin Arrows Casino near Leupp – our fourth casino. By 2012, we can expect to see another 768 new jobs created – 549 in the casino and 219 in the hotel.

To realize this required the development and training of staff in our Gaming Regulatory Office. The office has grown from five employees in 2006 to 45 this year. It has conducted licensing and background checks of approximately 852 gaming employees and 84 vendors. Unlike any other tribe in the country, our gaming compacts with two states allow us to build six casinos. In addition, the Nation has agreements with three Arizona tribes that will bring another \$130 million over 17 years. In all, the Nation can expect to earn about \$150 million a year from gaming and an additional \$20 million in repayment of the Nation's loan to the Gaming Enterprise.



Easy to overlook but fundamental to a Nation's success are roads. From our little ones in cradleboards to our most elderly, every Navajo uses and needs good roads. On August 10, 2009, the Council had the foresight to create the Navajo Nation Division of Transportation. From 2002 to 2010, the Nation has received nearly \$475 million in BIA Indian Reservation Roads Program funding to develop our transportation infrastructure. Navajo DOT has negotiated an agreement with the Federal Highway Administration that will allow the Nation to assume the duties of the BIA under the roads program. This means that program funds will come directly to the Nation and will no longer be administered by the BIA. Through the American Recovery and Reinvestment Act, the Nation received \$86.4 million for road construction and maintenance all across the Navajo Nation. The Fuel Excise Tax has funded 162 projects valued at more than \$73 million for local communities and to help develop the Division. This year, Navajo DOT received \$31 million through a national TIGER grant for the US 491 road-widening project that 1,400 other municipalities competed for. Earlier this month, Navajo DOT celebrated the opening of its new road yards in Dilkon and Pinon. Soon we'll see construction begin on the \$18 million Navajo Transportation Complex in Window Rock.

No government is doing its job if it cannot protect its citizens from crime, whether in their communities or on the roads. When I came into office, the Nation had only 196 police officers. It became our priority to increase that number. With recruitment and training, the Division of Public Safety grew to 384 officers. Because of a lack of funding, however, the Division has been unable to hold a recruitment class for the past two years. As a result of retirements, transfers and terminations, the Division is down to 249 officers and 42 criminal investigators. Yet that is still more than 100 officers than we had in 2004. Fortunately, these dedicated men and women are better trained, better equipped and drive better vehicles than they once did. Next



year, the Division will receive 56 new vehicles to replace their high-mileage 2007 models.

In 2003, I asked the Council to consider a \$500 million bond issue to begin construction projects across the Nation. At the top of the list of needs was Public Safety and Judicial Complexes. I'm pleased that we've made headway on that priority. Through a \$60 million KeyBank loan, on September 24 the Nation broke ground on a new Public Safety/Jail/Judicial Building in Tuba City, and facilities are also planned for Crownpoint. The loan is considered the first major institutional financing agreement governed exclusively by tribal law and subject to tribal jurisdiction. It recognizes the extraordinary quality of our Nation's judicial system and Navajo Nation sovereignty. In July, we dedicated the beautiful 14,000-square-foot multi-purpose Dilkon District Court Building, and the new *Dzıilth-Na-O-Ditble* Law Enforcement Building, thanks to the support of the San Juan County Commission, which allocated more than \$450,000 to construct the building. On Friday, we expect to break ground on a \$31 million jail facility in Kayenta that's also funded through ARRA. At last, a decade-old problem of having no place to hold law-breakers that forced our law enforcement and courts to release them back into our communities is now coming to an end.

Since 2003, we've seen many developments replace empty lots. The Division of Economic Development has overseen the completion of the \$4.3 million Karigan Building, the construction of \$25 million in homes in Karigan Estates, the \$40 million Antelope Point Marina project, convenience stores at Alamo, Sawmill and White Cone, and new welcome centers at Sheep Springs and Monument Valley. The Division is developing shopping centers at *Nabatabdžiil* and Ganado, and a dozen rest areas along our roads. In 2003, only nine cell phone towers covered the entire



Nation. On October 1, CellularOne dedicated its 99th tower in Burham Chapter and plans to raise 25 more next year.

Some areas of our Nation have seen no development at all for four decades. The Bennett Freeze caused unending hardships for thousands of Navajo families across an area larger than the state of Delaware. On December 5, 2005, Federal District Judge Earl Carroll signed a court order to dispose of all claims in the 1934 litigation between the Navajo Nation and the Hopi Tribe, effectively lifting the construction, repair and development freeze that began in 1966. Some of our own people opposed the Intergovernmental Compact that was negotiated by our Department of Justice. Nonetheless, on September 26, 2006, this Council voted 75-to-3 to adopt the Compact to lift the Freeze. On May 8, 2009, President Obama signed a law to forever repeal the Bennett Freeze. I am grateful that last month, Arizona Congresswoman Ann Kirkpatrick proposed long-awaited legislation that calls for nearly \$1 billion to rehabilitate the former Bennett Freeze Area.

Ever since the 1958 *Healing vs. Jones* case, the Navajo-Hopi Land Dispute has plagued our People and each generation of leaders like nothing else since Livestock Reduction. The cost, grief and endlessness of it passed from Chairman Jones to Chairman Nakai, then to Chairman MacDonald to President Zah. In 1963, it passed through the U.S. Supreme Court, and finally through Congress, becoming the dreaded 1974 Relocation Act. After decades of resistance by some of our most traditional grandmothers and grandfathers who refused to leave their homes, the federal government came to realize that this law no one wanted was crumbling against the People like sandstone against a rock. In 1996, President Hale and Hopi Chairman Secakuku reached a pact with the Accommodation Agreement and, for the most part, the bitterness subsided.



Since 1978, however, the Hopi Tribe believed rent was owed to them, and they won a judgment in U.S. District Court that our leadership at the time refused to pay. At last, our Department of Justice requested a mediator through the Ninth Circuit Court of Appeals. On August 11 of this year, the Nation paid \$6.2 million to the Hopis, and the Attorney General intends to negotiate a final settlement of all post-partition rents for an additional \$4 million.

Most important, after 52 cruel and heartbreaking years, less than a month ago on September 21, the Navajo Nation and the Hopi Tribe quietly filed a Notice of Settlement and Voluntary Dismissal of Appeal in the original Healing case. Without so much as a headline, the long litigation between the two tribes over the 1882 Executive Order Reservation area was finally over, and the Navajo-Hopi Land Dispute came to an official end. For too long, the Navajo and Hopi nations had been at odds with each other. It should never have been because neither of us is going anywhere. By talking with each other, our tribes found a way to resolve old and bitter differences in order to live together. I congratulate Attorney General Louis Denetsosie and our Department of Justice attorneys for bringing this era of our history to a close.

Another major achievement was in 2006 when the DOJ and the Minerals Department completed lengthy and difficult negotiations with El Paso Natural Gas Co. to increase pipeline royalty payments to \$18 million a year for 20 years. This will bring the Nation \$360 million. After 20 years, the agreement will be renegotiated, which will bring in millions more. This was a critical and painstaking negotiation because it served to replace royalty payments that were lost when the Black Mesa Mine ceased operation.

Of course, we have had our disappointments. In 2008, we were hurt when the Ninth Circuit Court of Appeals' reversed its earlier decision to prevent the desecration



of *Dook'o'osliid*. In 2009, we were disappointed again when the U.S. Supreme Court declined to hear our case. Last month there was little left to say when the Flagstaff City Council failed to hear the plea of our People and voted to allow wastewater to be sold so snowmaking could proceed. To us who hold this mountain sacred and deserving of respect, there can be no compromises to saving self.

I am also disappointed we were unable to break ground on the Desert Rock Power Project because of the political shift that occurred in Washington, D.C. During a visit to his office before he retired, former Sen. Pete Domenici told me that for 40 years the federal government had wanted us to build our own power plant. Now that we are in a position to do so, he said, the government is telling us that we can't. After 50 years of helping to produce power for the rest of the Southwest, Desert Rock was our opportunity to have a significant investment in our own power plant, using our own people to build and operate it, and our own coal to produce electricity.

We were issued an air permit in 2008 only to see it taken away a year later by the U.S. Environmental Protection Agency. Since then, I have sought a meeting with President Obama to discuss Desert Rock. Ironically, there are two other coal plants now under construction in the U.S. – the Prairie State Power Project in President Obama's home state of Illinois, and the Comanche III Project in Secretary Salazar's home state of Colorado. Neither will be as clean or efficient as Desert Rock. Experts say the way to reduce carbon dioxide while meeting future energy demands is to replace the world's 1,000 gigawatts of traditional coal-fueled power plants with ultra super-critical plants like the Desert Rock design.

Navajo coal provides about half of our general fund revenues, yet even this may be under threat. On Oct. 6, the EPA announced it will require the Four Corners Generating Station to install pollution controls to reduce smog-causing nitrogen oxide



by 80 percent. While this is a laudable goal, the Navajo Nation is concerned about the potential loss of Navajo jobs should Arizona Public Service decide the technology would be too costly. Nitrogen oxide levels have been high for decades, but data shows the Four Corners plant never exceeded national ambient air quality standards. Last year, Navajo Nation EPA Director Stephen Etsitty submitted comments recommending a phased-in approach that would strike a balance between a meaningful reduction of emissions and being able to plan for negative impacts that result from a costly investment in pollution controls. As much as we support and encourage the development of wind and solar projects, the most reliable source of electric energy will continue to come from coal, and coal is what the Navajo Nation has in abundance.

Members of the Council, 25 years ago, in the case of *Kerr McGee vs. Navajo Tribe*, the U.S. Supreme Court recognized the Navajo Nation's sovereign right to impose taxes without approval by the Secretary of the Interior. Since 2003, the Office of the Navajo Tax Commission has collected \$680 million in taxes, averaging \$85 million per fiscal year. This is an excellent example of sovereignty at work.

To Navajos, sovereignty is simple. It means being independent and standing on one's own. Whether an individual, a family, a community, or a nation, one wants to be independent. To build a strong nation, its citizens need to be dependent on no one to survive and thrive. As a people, Navajos were once proud, fierce and independent. With more of our students graduating from college each year, with more of our economic initiatives in place, with greater safety and security, I see the day when we are independent again, and our sovereignty will flourish every day.

Members of the Council, thank you.